

PAVING THE WAY: AN EVALUATION OF SMALL BUSINESS SUPPORT PROGRAMS
IN THE KIVALLIQ REGION OF NUNAVUT

By

Gabrielle E. Morrill, CPA, CGA, B.Comm Hons

A Thesis Submitted in Partial Fulfillment of the Requirements

for the Degree of

Master of Arts

in

Rural Development

University of Alaska Fairbanks

December 2018

© 2018 Gabrielle E. Morrill

APPROVED:

Patricia Sekaquaptewa, Committee Chair

Ron Baker, Committee Member

Jenny Bell-Jones, Committee Member

Cathy Brooks, Committee Member

Charlene Stern, Department Chair

*Department of Alaska Native Studies and
Rural Development*

Kevin Illingworth, Dean

*Department of Alaska Native Studies and
Rural Development*

Michael Castellini, *Dean of the Graduate School*

ABSTRACT

Small businesses in Nunavut face many opportunities and challenges. The Government of Nunavut and Government of Canada have expressed a commitment to support small business development in Nunavut to promote economic development and improve socioeconomic conditions for Nunavummiut. The question is: how can they best do that?

Nunavut has developed a complex business service network to support small business development. The network provides many products and services, particularly funding opportunities and advisory services.

This research analyzes the history of economic and business development in the Kivalliq (southwest) region of Nunavut. This includes precolonial Inuit economic institutions, which are vastly different from western models, and the utilized strategies in the Nunavut business service network. Twenty-four open ended interviews were conducted with entrepreneurs and business service network employees to evaluate the realities of small businesses in Nunavut. Interviews were designed and studied from a social constructionist and phenomenological perspective.

The primary issues that were identified in the Nunavut business service network were: low accountability; burdensome bureaucracy; poor effectiveness; lack of trust in business service employees; poor transparency; unreliable maintenance of confidentiality; and oversaturation of funders; and a need for greater communication between organizations. Most of these issues related more to non-repayable contributions programs than other forms of business service organizations. Contribution programs will be explored in greater detail.

Recommendations were guided by ideas to increase the amount of support, both from a business counselling and funding perspective, for established businesses as opposed to start-ups;

a need for greater accountability and transparency; methods to increase trust in business service employees; ways to improve communications between service organizations; and a need to reduce bureaucracy and streamline application processes.

The final recommendations include restructuring financing programs, particularly contribution financing programs; establishing a mentorship program; creating a single-portal streamlined application for funding and site for information; adding additional metrics of evaluation, particularly for contribution financing programs; creating a pool of board members for business funding reviews; starting a business incubator or business advisory-only program; and establishing a stronger partnership with the Nunavut Arctic College in delivering training programs for business owners.

Table of Contents

	Page
Abstract	iii
Table of Contents	v
List of Figures	vii
List of Tables	vii
List of Appendices	vii
Preface.....	viii
Acknowledgements.....	x
Chapter 1 Introduction	1
1.1 Problem Statement.....	1
1.2 Statement of Bias and Limitations of Research.....	5
Chapter 2 Methodology	7
2.1 Research Paradigms.....	7
2.2 Research Design.....	10
Chapter 3 Literature Review	15
3.1 History of Nunavut and Economic Development in the Kivalliq Region of Nunavut.....	20
3.1.1 Pre-Colonial Inuit Economic Institutions	20
3.1.2 A Brief History of Nunavut and the Kivalliq Region	29
3.2 Nunavut and the Kivalliq Region’s Socioeconomic Climate Today	31
3.2.1 The Dual Economy	37
3.3 The Nunavut Business Service Network	37
3.3.1 History of Business Support Programs in the Kivalliq Region	45
Chapter 4 Results	52
4.1 Current Issues.....	52
4.2 Responses to Interview Questions	63
4.3 Program and Policy Recommendations.....	74
Chapter 5 Conclusion.....	81
References.....	83

Appendices.....	89
-----------------	----

List of Figures

	Page
Figure 1 Pre-colonial Inuit Economic Model Nash Equilibrium.....	27
Figure 2 Kivalliq Small Business Support Network.....	40

List of Tables

Table 1 Contributors to Nunavut's GDP in 2016	32
Table 2 Sources of Employment in the Kivalliq Region in 2011	33
Table 3 Inuit vs. Non-Inuit Labour Force Characteristics for 2015	36
Table 4 How could a 100% Inuit-owned business fund an eligible \$100,000 business project? .	44

List of Appendices

Appendix 1 Coded Interview Results	89
Appendix 2 Exemption from University of Alaska Fairbanks Institutional Review Board	106
Appendix 3 Nunavut Research Licence.....	107

PREFACE

This research is written in Canadian English to reflect the target readers of this document: Canadian entrepreneurs, researchers, and policy analysts.

Gabrielle Morrill is a Chartered Professional Accountant, Certified General Accountant (CPA, CGA) in Nunavut, Canada. She is a young professional of entirely Caucasian descent. She was raised in an upper middle-class household with two loving parents in southern Canada. She is writing this research from a position of privilege.

She has held three positions in Nunavut since relocating there in September 2014 and beginning her career: as a Business Development Officer for Kivalliq Partners in Development (September 2014 to May 2016); as a Business Services Officer for Kivalliq Business Development Centre (May 2016 to May 2017); and as an Economic Development Officer for the City of Iqaluit (August 2017 to present).

Gabrielle has funded this research herself. Any time off required for the completion of this program was taken from her personal time off. She does not speak on behalf of any of her employers, present or previous, in this research.

This research will provide several recommendations to the federal and territorial governments. It could assist them in reforming policy to better reach their mandates. Ideally, the recommendations of this research will result in a more effective and supportive business development network for small businesses. Nunavut business service providers may be evaluated by different key performance metrics that better support the mandates of their organization.

Business service network employees may have altered job descriptions. Business service organizations may have to report on different key performance metrics to funders. This may be costly to the organizations or eliminate jobs declared redundant.

The policy recommendations will be very specific to Nunavut and may have limited applicability to other communities or people. However, the methodology of this research may provide benefits to others. I designed the interview questions to reduce the risk of repercussions to study participants. Nunavut has a small population, and I perceive it as a highly political environment. It is critical that study participants not feel that they may be endangering their reputations or career by taking part in this study. By structuring these questions to focus on improvement of the system rather than the flaws it currently has, it is more likely to find constructive solutions and willing participants. Furthermore, one-on-one interviews may provide better quality responses and understanding of perceived issues than focus groups may. Many communities could recreate this methodology so that they may evaluate their small business support services.

The value to academic research of this research rests in its literature review and methodology. The results are overly tailored to Nunavut; but each result will only be a summary of the action and potential consequence. Each result may require an entire policy document or research paper to analyze it. Each result, if implemented, could also create a case study. In addition, the results of this research could be used in a study comparing the quality of results between focus groups and individual interviews.

This also appears to be the first published academic research that is specifically focused on Nunavut's small business support programs. This could benefit research on small business support programs in circumpolar regions, should anyone want to research this further.

ACKNOWLEDGEMENTS

First, I would like to thank my graduate committee, Professor Patricia Sekaquaptewa, Professor Jenny Bell-Jones, Dr. Ron Baker, and Professor Cathy Brooks for their insights, guidance, and keeping me on track. Compiling this research has been a very humbling experience, and I am grateful to them for challenging me to do better. I could not have done this without them.

I would like to thank the communities of Rankin Inlet and Iqaluit, Nunavut for being my homes for the past four years. I have grown so much as a person. I want to extend a special thank you to my colleagues in the Nunavut small business service network, particularly Robert Connelly, Charlene Williams-Kaludjak and Kristof Karcza, for their mentorship and helping me grow as a professional. I would also like to thank my colleagues at the City of Iqaluit Jeanie Eeseemailee and Tammy Ernst-Doiron for listening to me speak about this research, life, and everything in between far more often than social convention would have expected them to.

I would also like to thank some of the wonderful friends I have made here who have helped me get through this degree and gave me a social life to ensure I had plenty of distractions keeping me from completing this sooner: Megan Lusty; Kaitlin Heron; Mary-Ann Solomon; Megan Ingram; Katherine Rudd; Jakub Garbarczyk; Cates Bayabay; David Shaffrey; Amy Brown; Fred Fast; and all the other wonderful people who made me feel like I belonged. I would also like to thank my friends from down south Stephanie Heinrichs, Mark Manning, Jie Liu, Heather Gouthro, and Mandy Saunders for centering me when I was losing my mind.

I would like to thank my parents, Cameron and Janet Morrill for their constant support. I can never repay them for it, so I hope this acknowledgement and never moving back into their

house can be enough. I would also like to thank my sister Susanne Bradley, who did not acknowledge me in her own thesis.

Lastly, I would like to thank my partner Andrew Fuentes. You came into my life towards the end of this program, but you stuck with me through the hardest part. I am excited to stand by you through all the easy and hard parts going forward. I would like to thank Juana Fuentes, Patricio Fuentes, and Patricia Fuentes for their kindness, food, and support as well.

CHAPTER 1 INTRODUCTION

1.1 Problem Statement

Nunavut lags behind the rest of Canada in many socioeconomic indicators. There are higher rates of poverty (Battle, 2013), food insecurity (Chan, 2006), unemployment (Nunavut Bureau of Statistics, 2018), and suicide (Government of Nunavut et al., 2010). It is no secret that there are substantial disparities between the north and south (Gilmore, 2016). Providing additional accessible employment opportunities could alleviate substantial harm of many of these issues by providing additional income and, perhaps, a sense of belonging and purpose.

Private sector growth is one of the best ways to create employment opportunities; it also tends to increase income per capita and gross domestic product tenfold. Meanwhile, public sector investment is one of the least effective ways of developing economies and money does not tend to get reinvested into the economy afterwards (Cross, 2014).

Nunavut is not reaching its full economic potential. This is evidenced by “data collected by the Finnish economist Ilmo Mäenpää, the Canadian Arctic makes up approximately one-quarter of the circumpolar region, yet [its] economic production accounts for less than two percent of that entire region’s aggregate economy” (Gilmore, 2016). Furthermore, Statistics Canada found in 2014 that there are only thirteen businesses per thousand residents in Nunavut, whereas there are about thirty-two per thousand residents in southern Canada (Van Dusen, 2015). This indicates that there could be additional economic activity conducted by small businesses in Nunavut.

There are various reasons for this. One is that the cost of building critical infrastructure and capital is very high in the North. Nunavut is so far away from the south, and relies almost

exclusively on sealifts and airplanes to bring in materials. It can cost upwards of 2.5 times higher to build infrastructure for economic projects such as mines (Association of Consulting Engineering Companies - Canada et al., 2015). Many of these costs could be substantially lowered if adequate transportation infrastructure were put in place or there was a means to produce construction materials locally.

Another reason is that there is a skills gap in Nunavut. Three in ten Inuit, who make up 85% of Nunavut's population, had some sort of postsecondary qualification in 2011 (Statistics Canada, 2016). Furthermore, 60% of Inuit aged 25 to 64 did not have a certificate, diploma, or degree, whereas only 5% of non-Aboriginal Canadians did not obtain any of the same qualifications (Statistics Canada, 2016). As a result, there is a heavy reliance on southern consultants and transient employees, which creates economic leakage as high prices paid for such services flow south.

On March 20, 2018, the newly elected legislative assembly of the Government of Nunavut released its mandate for the next four years (Casey, 2018). Two of its five priorities directly relate to small business development:

- “Working towards the well-being and self-reliance of our people and our communities through *Imusivut*.
- “Developing our infrastructure and economy in ways that support a positive future for our people, our communities, and our land through *Pivaallirutivut*.” (Casey, 2018)

Academic research has been conducted on the principles of self-reliance, but rarely in the specific case of Nunavut. Some researchers have proposed a global approach:

“The self-reliance strategy, which was based on the situation of third-world countries, may be summarized in the following three elements: (1) self-respect understood as belief in own values, culture, and civilisation... (2) self-sustainability understood as the organised efforts to base important production on own resources in order to meet local demands; and (3) fearlessness understood as a basic attitude and ability to remain independent and invulnerable to external influence (Galtung, 1980).” (Spilling, 2011)

Small business development particularly relates to the second element of this self-reliance strategy: self-sustainability. Spilling’s work describes Bengt Johannisson’s research, which observed entrepreneurs as being the ultimate personifications of self-reliance (Spilling, 2011). This could indeed be the case in Nunavut, where 50% of our potential gross domestic product is lost to imports (Nunavut Bureau of Statistics, 2017). The value of Nunavut’s economic activity could increase dramatically if the majority of services were performed by Nunavummiut entrepreneurs for Nunavummiut. This would also promote the elements of self-respect and fearlessness, in that a Nunavummiut entrepreneur is more likely to provide culturally-appropriate services; and may serve as a role model for other Nunavummiut to be fearless and pursue their own ventures.

Supporting SME development also promotes economic development. Nunavut’s current leading source of private sector investment is from major mining corporations, contributing over twenty percent (Nunavut Bureau of Statistics, 2017). Over seventy percent of Nunavut’s economy was generated from government expenditures (Department of Executive and Intergovernmental Affairs, 2010). Nunavut’s economy is evidently incredibly reliant on government and mining. Should a major mine close or the Government of Nunavut lose revenues, Nunavut may face an economic crisis.

As stated before, public sector investment is an inefficient way of promoting economic growth (Cross, 2014); this is particularly so in Nunavut because of the high reliance on southern firms for products and services (Nunavut Bureau of Statistics, 2017). Research is also showing that large firms are not generally best for economic development. While large firms provide great sources of initial investment and jobs, there are generally high costs associated with them such as loss of job creation from smaller firms which may have been able to meet parts of demand. Small businesses have actually been proving to be more potent job creators than large businesses in some instances (Edmiston, 2007). The creation of a more vibrant business environment could also diversify Nunavut's economy in order to reduce its dependency on mining and government.

It is in the best interest of the Government of Canada to invest in ways to generate accessible jobs for Nunavummiut, particularly Inuit. A study showed that if Canada had a fully-working Indigenous population, it would create an additional \$27.7 billion in gross domestic product, or increase it by 1.5% (Fiscal Realities Economists, 2016). That would nearly double the amount of growth in Canada's gross domestic product in 2017 (The Canadian Press, 2018).

Both levels of Government have taken numerous actions to promote small business development; they provide funding to a multitude of business service organizations which provide direct financing and business advisory services. However, both levels of Government also provide direct financing and business advisory services themselves. This has created a complex web for business development that is difficult to navigate.

There is also evidence that, unfortunately, some business development programs are being untapped. The Government of Nunavut had fourteen grants available to supplement

personal costs of entrepreneurs while they were starting their business. Only one applicant successfully obtained the grant (Van Dusen, 2015).

Thus, the fundamental question of this research arises: how can the federal Government of Canada and territorial Government of Nunavut better support small and medium-sized business development in Nunavut?

1.2 Statement of Bias and Limitations of Research

The author has been a business/economic development officer in Nunavut for the past four years. She may have developed biases based on issues that her individual clients and workplaces faced.

The author may be in a conflict of interest if the solutions proposed in this research suggests eliminating or reorganizing jobs in her field, which could limit her career prospects. This may be of particular concern to her, as she has tailored her career and education to business and economic development in Nunavut. Her skills and experience may have limited transferability to other jurisdictions.

The majority of interviewed individuals reside in Rankin Inlet and Iqaluit. These are both regional hubs with local access to business service organizations and direct flight access to a southern capital. Both are also large communities in Nunavut. As a result, the realities of smaller communities may not be fully captured by this research.

No entrepreneurs or business service providers were interviewed from the Kitikmeot (northwestern) region due to limits from the Nunavut Research Licence.

There was a limited number of interviewees. This research may not encompass all issues faced by all entrepreneurs. This research also focused on “formal entrepreneurship”, a term which will be explored in greater detail, which appears to be disproportionately operated by non-Indigenous entrepreneurs. Further research is required in this area to confirm if this is the case or not. Only 29% of the interviewees are Inuit land beneficiaries or from another Indigenous group.

The author is also a *qallunaat* (non-Inuit) who has had limited time in the north. The majority of her professional value comes from formal education, most of which was obtained from southern institutions. Results may be biased towards preferring specialized solutions instead of holistic ideas. This may not necessarily be congruent with Inuit solutions. It is highly recommended for further research to be conducted in this field, particularly from an Inuit perspective.

CHAPTER 2 METHODOLOGY

2.1 Research Paradigms

This research utilizes a social constructionist framework. The paradigm originated in 1928, conceived by sociologists William and Dorothy Thomas. They prepared the Thomas theorem: "if men define situations as real, they are real in their consequences" (1928, p. 572). The concept was revisited by sociologist George Mead, who devised the Mead theorem: "if a thing is not recognized as true, then it does not function as true in the community" (1936, p. 29). The core question of social constructionism is: "how have the people in this setting constructed their reality? What is perceived as real? What are the consequences of what is perceived as real?" (Patton, 2015, p. 121). It follows the belief that "the human world is different from the natural, physical world and must be studied differently" (Patton, 2015, p. 121).

Michael Crotty distinguished social constructivism as focusing on individual interpretations of reality, whereas social constructionism focuses on a group interpretation (Patton, 2015, p. 123)

In program evaluations, social constructionist paradigms would call for open-ended interviews with various stakeholders, including clients and program staff to determine how they view their realities. This would help determine if there were differences in their perceptions of how their worlds are constructed and if these differences pose threats to the feasibility of the program (Patton, 2015, p. 123).

The purpose of the interviews is to know what each individual says; how they construct the reality of the Nunavut business environment; and what has contributed to the success or failure of their business. This would help to determine what the entrepreneurs define as a

successful business and see if that is congruent with the perceived goals of business service providers.

Business service providers were interviewed to see how they construct the reality of Nunavut's business environment. Are their views of business success and the role of their programs congruent with those of the entrepreneurs? Do they have the same understanding of what their role is or should be to better help entrepreneurs?

This research uses a phenomenological framework. Phenomenology has been a paradigm in use as early as the twentieth century; Edmund Husserl, a German philosopher described it as "pure phenomenology is the science of pure consciousness" (Patton, 2015, p. 115); he studied how "people [described] things and experience them through their senses" (Patton, 2015, p. 116). The core question of phenomenology is to find the "meaning, structure, and essence of the lived experience of [a] phenomenon for [a] person or group of people" (Patton, 2015, p. 115). In the case of evaluating programs, it may be used to understand the program participants' experiences.

For entrepreneurs, it was critical to understand what phenomena they have experienced in working with business service organizations. By understanding what was positive about their experiences and what may have been lacking, effective recommendations could be made. It was also important to understand how business service providers have experienced their own roles, and how they perceive that they fit into business development in the territory.

One challenge to note is that the participants' view of the experience may be affected based on the outcomes of their applications; it may not provide a fully accurate representation of the experience of going through the program if they got a favourable or unfavourable result.

Interview questions are designed to try to mitigate or lessen part of this risk, though it is likely inevitable.

Social constructionism and phenomenology have been chosen as they can be viewed as complementary paradigms. Social constructionism is a way of understanding “what reality is” whereas phenomenology is a way of understanding “what is experienced”. Social constructionism observes the descriptors of the world, whereas phenomenology observes the actions.

They are also both ideal as they strive to illustrate a collective consciousness. They consider the perceptions of groups of people to understand the world.

Obtaining data regarding group perceptions from both entrepreneurs and business service employees is crucial to gaining a holistic understanding of Nunavut’s business environment. It is important to understand how the business environment has been and how it can change. Two active and fundamental stakeholders of the business environment are observed: those who take part as entrepreneurs, and those who take part as enablers of entrepreneurs.

These are two groups of people who have chosen to devote their livelihoods to businesses in Nunavut; they have chosen to try to succeed in or change the reality of the Nunavut business environment. In order to choose *what* to change, they have to have a common understanding of the current reality they operate in (social constructionism).

Each group needs or greatly benefits from the actions of the other in order to influence their environment. Each group has taken actions to effect change, or has had actions (or in Nunavut’s case, inactions) of others which has impacted their experiences in their environment

thus shaping their perception of it. In order to choose *how* to change, they have to have a common understanding of the impacts actions or inactions have (phenomenology).

There is a small degree of autoethnographic research. Autoethnographic research is the study of how the author's "own experience of [their] culture offer insights about this culture, situation, event, and way of life' (Patton, 2015, p. 101). The author is one of the business service network interviewees, as she has worked with both contributions and loans.

2.2 Research Design

The research was carried out through literature review and twenty-four open-ended interview questions. As interviews involve human subjects, a licence from the University of Alaska Fairbanks Institutional Review Board and a research licence from the Nunavut Research Institute were obtained.

Individuals were personally invited to be interviewed, primarily at a Trade Show in the Kivalliq region. These events are ideal to find participants as they are likely to be entrepreneurs or business service network employees; and are likely to know or be familiar with business service organizations. Some interviewees were recommended by others.

Twenty-four individuals were surveyed; twelve (50%) business owners and twelve (50%) business service employees. Business service employees came from all levels of government and many non-profit organizations. Particular attention was made to recruit interviewees who were either Inuit land beneficiaries or who had lived in Nunavut for over five years.

Twenty-three (95.83%) had conducted business or worked with business support programs in the Kivalliq region. Most interviewees were either residents of the Kivalliq region or Iqaluit. Seven (29.17%) interviewees were of Indigenous descent. Most of the interviewees of

Indigenous descent were entrepreneurs. Twenty-two (91.67%) interviewees had lived in Nunavut and/or Northern Canada for five years or more at some point in their lives.

There were two sets of interview questions: one for entrepreneurs and one for business service organization employees.

Entrepreneurs were asked:

- B1) How would you define a successful business in Nunavut?
 - This was to understand what entrepreneurs view as imperative to success. Ideally, this could be used to create a Nunavut-catered business model.
 - This contributes to a social constructionist framework as it will explore what entrepreneurs perceive as success.
- B2) Who do you go to for help when you want business advice?
 - Most business service providers also offer business advisory services. This question endeavours to see how many entrepreneurs take advantage of these services, or if they seek out others. If they seek out others, who do they find, and what makes a respected business counsellor?
 - This feeds into a social constructionist framework as entrepreneurs describe what makes an effective business counsellor.
- B3) Have small business support programs helped your business?
 - The purpose of this question to understand the relationship between the individual entrepreneur and business service organizations. This question may prove beneficial for understanding what the business service organizations are currently doing well.

- This question is crucial to explore results from a phenomenological framework, as it will indicate what events (phenomena) create a positive or negative relationship.
- B4) What have been your greatest challenges as a business owner in Nunavut?
 - This is an essential question. This will provide an understanding of how entrepreneurs perceive their environment.
 - This question is also being asked to business service providers to explore results from a social constructionist standpoint in order to compare responses to see if business service providers perceive the same reality as entrepreneurs.
- B5) How could small business support programs help you overcome those challenges?
 - This question will provide the fundamental base of the policy recommendations to be provided.
 - This question plays into a phenomenological paradigm by evaluating how entrepreneurs perceive actions business support organizations could take to help them improve their perceived realities.

Employees of business service organizations will be asked:

- S1) What do you believe are the purpose and goals of your role?
 - The purpose of this question is to understand how employees may perceive that they are being evaluated. Specifically: how many perceive that their goal is to distribute or find funding?
 - This explores social constructionism as it observes the perceived reality of employees.

- S2) How would you define a successful business in Nunavut?
 - This serves to compare with the responses of entrepreneurs, to evaluate if employees have the same perception of a successful business.
 - The base of this question is the use of a social constructionism framework as it observes the perceived reality of employees.
- S3) What kinds of questions do clients usually ask you?
 - This question serves to understand how employees may perceive that their clients perceive them.
 - This relates to phenomenology as it analyzes the experiences of employees.
- S4) What do you believe are the greatest challenges for your clients in Nunavut?
 - This is to compare with the responses of entrepreneurs, to evaluate if employees have the same perception of business challenges.
 - This is social constructionism as it observes the perceived reality of employees.
- S5) How do you believe small business support programs help clients overcome those challenges?
 - This is to compare with the responses of entrepreneurs, to evaluate if employees have the same perception of how the business service network currently operates well.
 - This is social constructionism as it observes the perceived reality of employees
- S6) Are there other ways small business support programs could help clients overcome those challenges?
 - This is to get an insider's view of potential ways to improve the business service network.

- This is phenomenological as it questions what actions should be taken.

Interviews will be transcribed and coded by theme. For example: if an interviewee said: “When I need business advice, I go to my mentor Jack because he ran a business in Nunavut for years and I trust him”, the code word would be “Professional/Mentor”.

Results will then be further analyzed for policy implications or to analyze areas where the perceptions of business service employees may differ from individual business owners.

Interviewees will be contacted once the first draft of the research has been prepared so they can make any proposed changes. This will ensure that no interviewees feel that their privacy is being violated. Results are being presented in a way that it should be very difficult for any participants to be personally identified.

CHAPTER 3 LITERATURE REVIEW

This research requires an in-depth literature review. The kinds of research that are available and needed are categorized as follows:

- General (third degree relevance): This research can be from anywhere in the world, and likely did not have Nunavut in mind while it was being written. This research will relate to general theories, such as research paradigms, accounting theory principles, self-reliance principles, and classic models of evaluating economies/markets. It will be imperative to use models that can be applied to the Nunavut context, or that can be adapted to it. This research will serve as a base thought to some sections, but cannot be used alone. This research will most likely come in the form of journal research articles and textbooks.
- Indigenous, remote, rural, and/or circumpolar-specific (second degree relevance): This research may have closer direct applicability to this research. It is likely that some elements will differ from the Nunavut context, such as culture, geography, or economic activity. This research may provide lessons in best or worst practices, which may be beneficial to Nunavut.
- Nunavut and/or Canadian Inuit-specific (first degree relevance): This information about Nunavut or predominantly Inuit communities in *Inuit Nunangat* (Inuvialuit region in Northwest Territories, Nunavut, Inuit in Nunavik region of Quebec, and Inuit of Nunatsiavut region of Newfoundland and Labrador) is directly applicable to this research.

The research is categorized on degrees of relevance because of the limited research about Nunavut and the Canadian circumpolar north.

There are several different types of literature that are accessed in this research. The merit of their contributions and limitations of use are examined below.

Books

There are a limited number of books that are used in this research. These include textbooks and *Uqalurait: An Oral History of Nunavut*. These textbooks are prepared by southern academics for undergraduate students; they therefore provide a third degree of relevance. They are fundamental for providing information about theories which can be used to examine collected data in more detail.

Uqalurait plays a fundamental role in the analysis of pre-colonial Inuit economic institutions. This book contains collections of oral history from Nunavummiut Inuit elders. This book was prepared by Caucasians under consistent guidance from Inuit. The purpose of the project was:

“to provide the Historic Sites and Monuments Board with [this document to assist in its consideration for possible historic sites from Nunavut communities]; to collect and preserve a large amount of Inuit cultural information [from before settler contact]; to make this information available to schools in Nunavut, chronically short of relevant cultural material; and finally, by making the information available across Canada, to help Inuit be better understood by their southern neighbours.” (Bennett & Rowley, 2004, p. xxvi)

This book is being used and considered as a cornerstone of recorded Inuit history prior to settler contact.

Newspaper Articles

Newspaper articles may be one of the best sources for this research. These would primarily collect articles from Nunatsiaq News and CBC News North, as those are the main news providers in Nunavut. Newspaper articles will provide first and second-degree relevance research. The majority will be first-degree.

Newspaper articles will be used to find information related to Nunavut's current socioeconomic climate and, to a more minimal degree, the history of Nunavut.

Another article highlighted reporting issues that some business service providers have; the need to balance client confidentiality with transparency to the public is a challenge for some organizations (Ducharme, Secrecy at Nunavut lender may continue despite calls for transparency, 2017). These conflicting priorities are particularly interesting from an accounting theory perspective. The Nunavut Business Credit Corporation (NBCC) is completely funded by the Government of Nunavut and serves as a crown corporation (Nunavut Business Credit Corporation, 2016). As a public entity, they should disclose how money is being allocated. However, they may have difficulty obtaining clients if entrepreneurs know sensitive information such as the amount of the loan may be shared with the public.

The primary advantage of newspaper articles is that they provide small pieces of information which may not be available in other research formats yet. Journal articles may take months or years to analyze and publish information, whereas a newspaper article takes a weekend.

Disadvantages of newspaper articles are that they are not peer reviewed and may not have sufficient information to draw reliable conclusions for analysis.

Reports

Reports will generate first-degree relevance information. These will be used to analyze current socioeconomic conditions. There are numbers of reports that provide statistical information related to gross domestic product (Nunavut Bureau of Statistics, 2017), employment and population (Nunavut Socioeconomic Monitoring Committee, 2016), mental health (Government of Nunavut et al., 2010), and costs of infrastructure development (Association of Consulting Engineering Companies - Canada et al., 2015).

All of this data comes from sources with sufficient credentials. This also provides a critical quantitative base to illustrate Nunavut's economic climate.

Some reports have been commissioned by entities that may inadvertently encourage a bias in presented information. One such example is a report about the cost of mining development in the north, which states that mine construction is upwards of 2.5 times more expensive in the north than the south (Association of Consulting Engineering Companies - Canada et al., 2015). This report advises the Governments of Canada and Nunavut to provide additional financial support to mining companies operating in Nunavut. This report was commissioned by the Chamber of Mines of Northwest Territories and Nunavut, which is paid by member fees collected from mining organizations. This could have influenced the report to focus primarily on the economic benefits of mining rather than negative externalities that may have ongoing impacts on local populations.

Journal Articles

Journal articles will provide research in all three degrees of relevance required for this research. This will be a preferred method of research, as the peer review process makes efforts to control the quality of research. There will be research available for all the research topics of this research.

There is valuable information regarding the history of Nunavut (Légaré, 2007). There is a great deal of Indigenous-specific entrepreneurship literature; some provides insights as to the impact of Indigenous cultures on the mandates of their businesses (Curry, Donker, & Michel, 2016); and one piece characterized different types of entrepreneurs in Rankin Inlet in particular (Dana L.-P. , 1995).

As research loses degrees of relevance, so too may it lose applicability. One research study noticed that smaller firms created more jobs than large firms (>1000 employees) in communities; this is because the entry of a large firm may bring 1,000 jobs initially; but it eliminates so many jobs that would have been created without their presence that the net number of jobs created after five years is 285 (Edmiston, 2007). This replication of these results is contingent on local entrepreneurs having the means to recreate most of the products and services of the large firm. In Nunavut, the only large firms that may bring that amount of employees in would be mining companies. Local community entrepreneurs do not have the capital or resources to operate a mine of their own. As a result, no jobs would be created unless the large firm entered.

Very few of the authors of first-degree relevance research articles have actually lived in Nunavut for an extended period of time. This may mean that their results are limited to what

their selected interviewees said, and they are not aware of this. Another critical issue is that Nunavummiut are generally included in the research design, approval, and implementation stages; they are not always, however, included in the peer-review stage. This means that information presented in a journal article could be presented or interpreted wrong; but if there are no peer-reviewers who are from or familiar with Nunavut, they may not know. As a result, the journal article is published but incorrect information is presented as truth and very few would notice. Research on the Canadian circumpolar north is particularly vulnerable to this, given that there are no universities located in Canada's territories; if a northerner wants to pursue academia, they have no choice but to move south.

Promotional Materials

This will be used to provide information on products/services available in the Nunavut business service network and other jurisdictions. This information is likely to be presented with a bias towards the organization it belongs to, as it is a promotional material. There is even a risk that the organization cannot or no longer provides the product/service that they advertise in these materials. This information will only be used to compare advertised products and services between jurisdictions; it will not be used to validate responses from participants, as the responses will be presumed to be more reliable than the promotional materials.

3.1 History of Nunavut and Economic Development in the Kivalliq Region

3.1.1 Pre-Colonial Inuit Economic Institutions

The study of economics is the understanding of a society's "allocation of scarce resources" (Bernheim, Whinston, & Martin, 2011, p. 2). Economics assists societies in answering three questions: (1) what goods should be produced; (2) how goods should be

produced; and (3) which members of society should get what (Bernheim, Whinston, & Martin, 2011, pp. 2-3). Prior to contact with Caucasian settlers, the Inuit had a well-established economic system that was upheld through customs and oral teachings from elders.

It should be noted that there are many different Inuit groups who resided in different areas across Nunavut. Though there are many technologies and practices that were widely spread, each group was unique (Bennett & Rowley, 2004, p. xxviii). This research is analyzing the more widely spread practices. It is encouraged for researchers interested in doing a more thorough analysis of the economic systems of Inuit to consider these differences, and perhaps consider focusing on a single region or group of Inuit.

There is a fundamental difference between how western civilization views economics and how these systems will be interpreted in this research. Western economics tends to focus on the final product: they would be interested in what type of clothes, what type of food is prepared, and so on.

This section will focus more on the collection of inputs rather than the production of specific outputs because although there were many different resources that were produced, they tended to come from a very limited number of inputs. Furthermore, the challenge in production was not generally from lack of skill to convert the input into the output, but rather the limit of inputs available.

Which inputs should be collected?

The determination of what goods should be produced was generally based on the season. Barnabas Peryouar of the Qairnirmiut people describes this phenomena in relation to caribou hunting:

“Our elders told us to shoot the [caribou] bulls only in June, July, and August, as that is the time when they are the fattest and the skins are good for clothing. When an elder looked over our kill upon arriving home and saw that we broke one of the laws, we got scolded...In the winter cows would be killed because the meat is good, but the skin is not good for clothing except for making mitts.” (Bennett & Rowley, 2004, p. 51).

Other times of year were designated for hunting seals, walrus, fish, whales, or gathering food based on numerous factors: the migration of the animals; the quality of the meat or skins; when it was most effective or safest to hunt them based on ice conditions; when berries and vegetation were accessible, and more (Bennett & Rowley, 2004). This was carefully decided through traditional knowledge that was passed on by elders, because “The leaders were normally older people, as they were known to have more experience with their surroundings” according to Jim Kilabuk of the Uqurmiut (Bennett & Rowley, 2004, p. 96). As Zipporah Pingittuq Inuksuk of the Amitturmiut describes:

“Every camp had a leader. Leaders didn’t abuse their power and were respected and obeyed their family who lived with them. People left all the major decisions to their parents and the elders, but they had a lot of freedom to do as they pleased. The only decisions the leader had to make concerned moving families to the seasonal hunting grounds.” (Bennett & Rowley, 2004, p. 96).

How should the inputs be collected?

As described earlier, many groups followed seasonal schedules in order to decide what animals to hunt or vegetation to gather. There were also, however, stringent rules that governed

hunting. Some rules related to reducing the risk of arguments amongst hunters. Adamie Nookiguak of the Uqqurmiut, for example, describes:

“The first hunter that sees an animal is the hunter for that animal, whether it is bearded seal or a walrus, caribou or polar bear. The hunter that saw it first has the first shot.” (Bennett & Rowley, 2004, p. 51).

Other rules were in place regarding how to effectively catch animals and ensure that they can be brought back to camp. This included training dogs to find bear dens or seal breathing holes. They also indicate how to actually capture an animal, and could involve the entire camp’s participation to do so (Bennett & Rowley, 2004, p. 52). These rules could also apply to the butchering of the animal to ensure meat and blood is not lost while transporting the animals back to camp (Bennett & Rowley, 2004, p. 53).

There were also rules to ensure that animals could be captured safely. This was particularly important for large game such as walruses, bowhead whales, and potentially polar bears (Bennett & Rowley, 2004, p. 57).

Some rules were made to respect the spirit of the animals. One such rule was that “Inuit in the old days were not allowed to brag about their catch because the animals’ spirits were listening...and you had to share your catch with another”, according to Buster Kailek of the Inuinnait (Bennett & Rowley, 2004, p. 43). Another important rule regarded the harvest of seals, as described by Frank Analok of the Inuinnait:

“Before [cutting] up a seal, Inuit would get a handful of drink water from [their] mouth and pour it in the seal’s snout...[This practice] was passed on from generation to generation...It was done to be thankful for the catch, because in the future the seal

would be coming back again...In this way the seal would be renewed.” (Bennett & Rowley, 2004, p. 54).

Finally, there were rules regarding how much to catch. Hunters would continue to hunt, even if everyone in their camp was well fed. As George Tataniq of the Harvaqtuurmiut described:

“The reason our ancestors tried to kill a lot of caribou is because they didn’t think only of themselves. They also thought about people somewhere else who might be hungry, so they caught more than they needed in order to help others.” (Bennett & Rowley, 2004, p. 90).

The decision of how to use the inputs would depend on how much was needed at the current time. Charlie Qilabvak of the Uqurmiut stated that “Animals are to be used and not wasted. The Inuit used to eat every part of an animal” (Bennett & Rowley, 2004, p. 45). In some instances, such as when a caribou herd was passing through, more animals may be caught than the group could eat. In such cases, meat would be stored in caches to be returned to at a later time if needed (Bennett & Rowley, 2004, p. 90).

Who should get what?

Many Inuit had widely understood food sharing principles. There were rules including who would get which parts of a large catch, and a firm spiritual belief that food had to be shared with all, including those whose food providers may have passed away. Delicacies in particular would be given to elders or parents of hunters, and it was shameful not to provide them (Bennett & Rowley, 2004, p. 87).

It was critical to share food with everyone. According to the understanding of Bennett & Rowley, “Animals gave themselves to the people but only those they deemed worthy, those who lived good lives and respected the animals” (Bennett & Rowley, 2004, p. 45). Part of living of good life is sharing with others. If one was selfish and did not share, the animal spirits may know and not be willing to be caught by that hunter again. Ahlooloo of the Tununirusirmiut told a story in which:

“Because all four [of the men in our camp] were shamans, they started working against each other with their shamanistic powers. They seemed to be friends, but if one caught a seal, for example, the others would try to take away the power that enabled him to do it. That was the reason for our starvation. You have to respect animals. If one catches something it should be shared equally among those who have none. That way you will please the animal spirits. Their lack of respect for the animal spirit world was the cause of our hunger.” (Bennett & Rowley, 2004, p. 45)

Some groups, particularly the Nattilingmiut and Arviligjuarmiut had very formalized customs for sharing food. They had seal-sharing partnerships, which were inherited from a brother or namesake relationship, in which “A hunter had a partner for each [of the twelve portions of a seal]. These permanent partners, often decided before birth...often called each other by the name of the piece of seal they shared” (Bennett & Rowley, 2004, p. 89).

Food was also shared between camps in times of starvation. Andy Mamgark of the Paallirmiut explained:

“In fact, when Inuit were dispersed on the land in their own winter ground, one camp might be in shortage of food. So the other camp might put an *imksuk* a little ways

from their caribou cache as an indication that this cache of meat is available for the desperate ones. In this way other people were able to locate the cache of meat, even though it was not theirs.” (Bennett & Rowley, 2004, pp. 90-91)

This could be viewed as a sort of security net. If some camps were starving, they could seek out other camps and ask for food. In the future, if the camp that was once starving had enough, they could share with another camp that may have a food shortage. This would also appease the animal spirits, who may feel that their bodies were put to good use and allow themselves to be caught again.

The economic institutions of Inuit are vastly different from traditional western European economic institutions. Although the most obvious difference is that there is no established form of currency, there does not seem to be an expectation of receiving a return from those who are helped. There is no direct trade relationship between the camps or individuals. Instead, it is perceived that the benefits to those who give will be that they will receive more from the land, or the spirit world. This has substantial impacts on economic behaviour that goes very much against traditional western European ideologies.

Take game theory and the Nash equilibrium, for instance. To understand this concept, “In a Nash Equilibrium, the strategy played by each individual is a best response to the strategies played by everyone else. In other words, everyone correctly anticipates what everyone else will do and then chooses the best available alternative (Bernheim, Whinston, & Martin, 2011, p. 417). Essentially, there are two ‘players’ who can each decide as to what their strategy, or move, will be. They will make their decision based on what the other player might choose. Today, it is considered to be “one of the most central and important concepts in microeconomics” (Bernheim, Whinston, & Martin, 2011, p. 417).

Let us assume that there are two camps who travel in the same geographic region of Nunavut. Neither camp feels confident that they have enough food to last for the week. They cross paths, and each camp asks the other camp for food. In this Nash equilibrium, both camp leaders have a decision: they can choose to share what food they have or choose not to.

The numbers in the squares indicate a unit of utility, which is a unit of an individual's happiness or wellbeing; a higher utility indicates a happier individual (Bernheim, Whinston, & Martin, 2011, p. 115). The concept of utility provides another contrast between Inuit and European economic models, given the highly individualistic nature of utility; for the sake of this example, we will use it though.

		Camp Leader 1	
		Share Food	Don't Share Food
Camp Leader 2	Share Food	+1 +1	+2 -2
	Don't Share Food	-2 +2	0 0

Figure 1 Pre-Colonial Inuit Economic Model Nash Equilibrium

Each camp may be alright on their own. That is the result in the bottom right quadrant: neither camp gains anything, and neither camp loses anything. Thus, there is no change in utility.

One camp may choose to share their food, but the other may not. The camp that chooses not to share their food would thus be better off; they have their own food, and the food that the other camp provided. This example assumes that the camp that provided food will not demand food in return.

The last option is that both camps share and experience some happiness from doing so.

Under game theory's traditional assumption, neither group would share. The Nash Equilibrium would be that both would choose not to share; this is because both camps would risk losing more if they shared while the other camp did not. Each camp can control their own decisions, but they cannot choose for the other camp.

The Nash Equilibrium as proposed by classic microeconomics is not what is meant to happen in Inuit economic institutions though. Nancy Kanayuq Mannik of the Iluilirmiut told a story that illustrated how the transaction was ideally supposed to go:

“We walked towards their camp, and as we were nearing them Mannik thought we should walk towards the entrance part of the tent so we wouldn't surprise them. We could see a man inside sitting in the middle of a bed facing the entrance; then we heard him saying ‘There are people coming.’ When we reached them we saw it was Atutuvaa's family, with his father-in-law, and they were hungry too. They were having Old Squaw duck that they had caught with nets, and it was their first bite, too. As we neared them Atutuvaa yelled to his father-in-law (since he had a hearing problem), “There are people coming,” and his father-in-law said, “That is good, I'm happy we'll be eating with them”. But here we were, hungry too. I felt sorry for him, as he was an old man. Atutuvaa's wife was just starting to take the Old Squaw from the pot when we got inside the tent. They said, ‘This is going to be our first time to eat, so eat with us,’ but Mannik told them we had just finished eating a rabbit came, so we were okay.” (Bennett & Rowley, 2004, p. 94)

There were times when this did not happen in times of starvation. According to Bennett and Rowley, “those who did not share were held in fear and disdain” (Bennett & Rowley, 2004, p. 89). Rachel Uyarasuk of the Amitturmiut described why:

“Sometimes the people were experiencing starvation and were so hungry that they would try to keep the meagre food available to themselves. These kinds of people were known as *iqattajattut*. What it means is – when there is only a small amount of food available, and there is no other means of securing more food, this individual will keep this meagre food for himself. He will have no intention of sharing this food with anyone else, so this individual would be called “*Iqaattattuq*”. So when someone dies of starvation, this individual will not die, as he has more energy than the rest who did not have access to the food that he hoarded. So when the people begin to die of starvation this individual will be drawn by his desire for food and will therefore look at the corpse with the idea of eating the flesh... These types of individuals were feared when they started to keep food for themselves without the slightest intent of sharing.” (Bennett & Rowley, 2004, p. 89)

The customs that were deeply ingrained as pillars of Inuit economic models would thus discourage the presumed Nash equilibrium from happening. These are just examples of how Inuit economic models may not be congruent with western economic models, which would likely play a key role in forming the programs of the Nunavut business service network.

3.1.2 A Brief History of Nunavut and the Kivalliq Region

Nunavut has had a long history and has been inhabited for thousands of years, as evidenced from the previous section. It has, however, seen astronomical changes over the past few decades.

Canadian Government intervention in Nunavut escalated after the second World War; this was in part out of a paternalistic concern for the welfare of Inuit (Légaré, 2007), but also to increase Canada's claim of sovereignty over the Arctic region (Gilmore, 2016). The Canadian government created coastal settlements for Inuit in order to provide various government services for them. This was a radical change from nomadic life, and there were fewer opportunities to use the important traditional skills that had been passed down through generations; "the sedentary life in the villages increased the Inuit feeling of alienation from their land and their traditional way of life. This forced settlement soon gave birth to dependency on government social services" (Légaré, 2007, p. 105).

Many of these settlements were not voluntary. There were forced relocations in the Kivalliq region for Inuit of the Ennadai Lake located inland, which nearly resulted in the starvation of multiple families (Tester & Kulchyski, Tammarniit (Mistakes): Inuit Relocation in the Eastern Arctic, 1939-63, 1994). Royal Canadian Mounted Police (RCMP) ensured that Inuit could not leave settlements to go back to living on the land by slaughtering sled dogs, which were a primary form of transportation on the tundra. Inuit had to rely on snowmobiles instead, which were much costlier and thus forced Inuit into participating in wage economies (Tester, 2010). Many Inuit children were traumatized in residential schools, where verbal and sexual abuse were rampant; the trauma of residential schools still has a heavy impact on Nunavummiut Inuit today, who have a suicide rate which is ten times that of the rest of Canada (Kral, 2012).

Negotiations for the Nunavut Land Claims Act took place from 1976 to 1993; this land claim became the largest Indigenous Land Claim in Euro-Canadian history (Légaré, 2007). The Nunavut Land Claims took place in 1999 and established an Inuit governing body: Nunavut Tunngavik Incorporated (Peterson, 2012).

There were three regional Inuit associations established under Nunavut Tunngavik Incorporation: the Qikiqtani Inuit Association to represent Inuit of the Baffin (eastern) region; the Kitikmeot Inuit Association to represent Inuit of the Kitikmeot (northwestern) region; and the Kivalliq Inuit Association to represent Inuit of the Kivalliq, formerly known as Keewatin (southwest) region (Peterson, 2012). The Kivalliq region encompasses the seven hamlets of Arviat, Baker Lake, Chesterfield Inlet, Coral Harbour, Nauyasat, Rankin Inlet, and Whale Cove.

The Nunavut Lands Claims Agreement would permanently impact business development in Nunavut through its Article 24, which governs the government's contracts. This created Nunavummi Nangminiaqtunik Ikajuuti, or NNI Policy, which would ensure that the Government of Nunavut gave preferential consideration in selecting contracts towards businesses that were: owned by Nunavut residents; owned by Nunavut Inuit Land Beneficiaries; and/or were owned by companies that are located in the same community as the contract is to be held in (Nunavummi Nangminiaqtunik Ikajuuti , 2017).

A key industry in the Kivalliq region since Euro-Canadian settlement has been mining. The first mine in the Kivalliq region was the North Rankin Nickel Mine, which operated from 1957 to 1962 (Hamlet of Rankin Inlet, 2018). More recently, the Meadowbank gold mine near Baker Lake opened for operations in 2010 (Peterson, 2012) and an additional gold mine near Rankin Inlet and Chesterfield Inlet known as the Meliadine mine is expected to become operational in 2019 (Agnico Eagle Ltd, 2017).

3.2 Nunavut and the Kivalliq Region's Socioeconomic Climate Today

The Kivalliq region had a total population of 10,573 people in 2015. Its population was 8,722 in 2006 (Nunavut Socioeconomic Monitoring Committee, 2016). This indicates a total population growth rate of 21.22% over a ten-year period.

Nunavut's Gross Domestic Product

In 2016, Nunavut's Gross Domestic Product (GDP) was \$2,039.6 million (Nunavut Bureau of Statistics, 2017). The largest ten contributors, detailed below, make up 81.8% of the total GDP.

Table 1 Contributor's to Nunavut's GDP in 2016

NAICS Category	GDP in millions	Percentage of GDP
Total	2,039.6	100%
Metal Ore Mining	465.8	22.8%
Public Administration	403.1	19.7%
Construction	207.8	10.2%
Education Services	157.7	7.7%
Real Estate Leasing	132.3	6.5%
Health care and social assistance	119.3	5.8%
Retail Trade	85.4	4.2%
Utilities	51.3	2.5%
Transportation and warehousing	49.1	2.4%

Source: Statistics Canada, System of National Accounts, CANSIM table # 379-0030

Prepared by: Nunavut Bureau of Statistics, May 1, 2017

This paints a vivid picture of the economic reality of Nunavut. The central private contributor to GDP is the mining sector. Government expenditures provide the bulk of Nunavut's economic activity, generating the education services, health care and social assistance, and many of the utilities through the territory's energy corporation.

Finally, the retail sector, which generates a great deal of the transportation and warehousing industry's earnings; the retail sector brings in many products from the south to supplement Nunavut's low commercial food production.

Of Nunavut's GDP, \$4.9 million (0.24%) was from Agriculture, forestry, fishing and hunting; the entire amount was from fishing, hunting and trapping as there is no commercial agriculture or forestry in the area. It should be noted that this amount may be underrepresented,

as many hunters distribute their catches locally for no remuneration; the economic value of the total country food harvested may not be captured in this table.

Decreasing Nunavut's GDP, \$2,065 million was spent by Nunavut on imports of goods and services (Nunavut Bureau of Statistics, 2017). A massive percentage of Nunavut's GDP is forfeited to these imports.

Employment

The following table describes the primary sources of employment in the Kivalliq communities:

Table 2 Sources of Employment in the Kivalliq Region in 2011

Industry	Arviat	Baker Lake	Chesterfield Inlet	Coral Harbour	Nauyasat	Rankin Inlet	Whale Cove
Sales & Service	24.8%	28.7%	22.5%	30.0%	31.5%	22.5%	32.4%
Education, Law, and Government	22.8%	18.7%	22.5%	21.7%	22.2%	20.8%	17.6%
Trades & Transport	18.8%	25.1%	17.5%	20.0%	25.9%	17.7%	20.6%
Business & Finance	12.1%	9.9%	10.0%	10.0%	9.3%	16.4%	11.8%
Management	6.7%	7.0%	10.0%	6.7%	7.4%	11.6%	0.0%
Art & Sports	4.0%	2.3%	0.0%	5.0%	0.0%	2.4%	5.9%
Sciences	3.4%	0.0%	5.0%	3.3%	0.0%	2.7%	5.9%
Health	3.4%	2.3%	7.5%	0.0%	0.0%	4.1%	0.0%
Natural Resources	2.7%	2.9%	0.0%	3.3%	3.7%	1.0%	0.0%
Manufacturing	1.3%	1.2%	5.0%	0.0%	0.0%	0.0%	5.9%
All numbers were sourced from Statistics Canada in April 2011 (Townfolio, 2018)							

The data does not indicate which sectors are more heavily employed by Inuit or non-Inuit. However, data obtained from the Government of Nunavut indicate that the Inuit employment rate in the Government of Nunavut in the Kivalliq region in 2011 was 60%. Inuit were strongly represented in roles such as administrative support (93% for the department of

Community & Government Services), but underrepresented in roles such as executive, senior, and middle management (0%, 46%, and 20% respectively within the same department) (Government of Nunavut Department of Human Resources Planning and Strategic Priorities, 2011). This infers that Inuit are underrepresented in Education, Law and Government and Management industries.

It is unsurprising that education, law and government are a major source of employment in most communities, and that the percentage of employment it brings is very similar to its contribution to GDP of 19.7%. It is more surprising to note that sales and service is consistently the largest source of employment. These figures are likely due to employment that retail stores in every community offers; yet retail is only 4.2% of Nunavut's economy. This may be because most of the economic activity generated by the retail sector is likely lost to the heavy reliance on imports from southern Canada that the industry has.

There appears to be a major disconnect between the amount of GDP the mining sector produces of 22.8% and the level of employment that natural resources bring, of approximately 2.5%. It should be noted that the value of this information may be limited. The most recent information is from 2011; the socioeconomic climate has shifted since then as the mining sector has grown. It is still possible, however, that the mining sector does not produce as much employment in the Kivalliq region as Nunavut may have hoped.

There is an additional issue with this research. There is no information regarding how individuals determined which sector they were employed in. For example: would a seamstress describe them self as self-employed or unemployed? If they were self-employed, would they consider their sector of employment to be in sales and service or art and sports?

This may have also impacted the figures for employees of the mining industry. An employee may have self-identified as working in Trades and Transport, Management, Manufacturing, or Natural Resources based on what their position actually is. It is difficult to believe that only 2.5% of the Kivalliq region's labour force is taking part in mining activities. In 2014 and 2015, there were 269 and 302 Inuit employees respectively working at Meadowbank mine (Kusugak & Ramcharan, 2016). Given that 10,753 individuals lived in the Kivalliq region in 2015, that means that 2.8% of the total population was employed at the one mine; a large portion of the Kivalliq's population is young and would not be considered members of the Kivalliq region's labour force.

Unemployment in Nunavut is a critical issue. At the end of 2017, the unemployment rate in Nunavut was 14.3% (Nunavut Bureau of Statistics, 2017), whereas throughout Canada it was at its lowest in forty years of 5.7% (Argitis, 2018). The unemployment rate in Nunavut is further exacerbated for Inuit, who face a 20.9% unemployment rate (Nunavut Socioeconomic Monitoring Committee, 2016) as of 2015; it is not believed to have substantially changed.

The information below has been sourced from the Nunavut Socioeconomic Monitoring Committee (SEMC)'s 2016 statistical report. Please note that some information is denoted with an asterisk; this is information that was calculated by the author of this submission from other data in the table, though the SEMC did not display it themselves.

Table 3 Inuit vs. Non-Inuit Labour Force Characteristics for 2015

Information	Inuit	Non-Inuit
Total Population 15+	18,983	4,750
Labour Force	10,750	4,175
Employment	8,483	4,092
Unemployment	2,258	83*
Participation Rate	56.6%	87.6%
Employment Rate	44.7%	85.9%
Unemployment Rate	20.9%	2.0%*`

Source: Nunavut Socioeconomic Monitoring Committee, 2016 Statistics

Prepared by: Nunavut Socioeconomic Monitoring Committee

* means the figure was calculated by the author of this research by extraditing information provided in the table; the figure was not calculated by the Nunavut Socioeconomic Monitoring Committee, likely because the figure can only be used as an estimate

Unemployment brings numerous issues:

- Negative impacts on GDP
 - A 1% increase in unemployment is associated with a 2% decrease in GDP, as per Okun’s Law (Sanchez & Liborio, 2012)
- Unemployed individuals suffer lasting damage to their earnings potential
 - “A 2009 study [on mass layoffs]...found that workers who lost jobs during the recession of the early 1980s were making 20 percent less than their peers two decades later” (Appelbaum, 2012)
- Reduced life expectancy and other mental health concerns (Appelbaum, 2012)
 - Nunavut is experiencing a suicide crisis. Its suicide rate “has been roughly 10 times higher than the national average over the past 40 years” (CBC News, 2013).
A study found that those who died by suicide were more likely to be single and unemployed. (CBC News, 2013)
- Reduced likelihood of finding a job as the length of time unemployed increases
- Loss of skills over time unemployed

- A Swedish study found that “if a person had stronger reading skills than 30 percent of Swedes when they lost their job, one year later their skills were stronger than just 25 percent of Swedes” (Appelbaum, 2012) (Edin & Gustavsson, 2005)

It is also important to note that Nunavut has a very large young population. In 2012, the median age of a Nunavut resident was 24.7 years old, whereas the median age of a Canadian resident was 40 years old (Department of Executive and Intergovernmental Affairs - Government of Nunavut, 2013). Nunavut is also Canada’s fastest growing population, having grown by 12.7% between 2011 and 2016. Statistics Canada attributes this to Nunavut’s high fertility rate of 2.9 children born per mother, compared to the national average of 1.6 (The Canadian Press, 2017).

Nunavut is going to have to create more jobs. There is already an existing issue with unemployment which will be further exacerbated as a growing subsection of the population enters the labour force.

3.2.1 The Dual Economy

Nunavut operates under two economies: a wage economy and a subsistence economy (Harder & Wenzel, 2012). The wage economy is generated from employment at businesses and governments, such as the local hamlet office or grocery store. The subsistence economy is based on the collection and distribution of traditional foods sourced from the land; it is very reminiscent of precolonial Inuit economic institutions described earlier. The wage economy essentially subsidizes the financial costs of the subsistence economy, such as the acquisition of transportation assets like boats and all-terrain vehicles; and smaller variable costs such as bullets and fuel.

Though the subsistence economy plays a vital role in Nunavut for its social and cultural benefits, this research is focusing on entrepreneurship in the wage economy, which will be known as “formal entrepreneurship”.

There is introductory research being conducted on formal entrepreneurship among small to medium-sized Inuit-owned businesses. One example of such research is from Rhoda Cunningham, an Inuk woman and entrepreneur from Pond Inlet, Nunavut. She has explored the role that *Inuit Qaujimaqatuqangit* has played in entrepreneurship among Inuit women entrepreneurs. She discusses that the principle of “*tunnganarniq*, [the principle of being welcoming and inclusive of others], was like a living element. It was also the atmosphere, things that are tied to culture like approachability and being open. It is a process” (Cunningham, 2017, p. 23). Cunningham details how Inuit entrepreneurs are incorporating IQ as a foundational business strategy, both as a means to find personal success and be a viable business. She further goes on to say:

“Inuit women entrepreneurs in Iqaluit, Nunavut have made strides towards equalizing power structures through socioeconomic development as they fostered traditional knowledge in their corporate practice. This balance has created a new business culture as they connected between self-determination one requires to become a successful entrepreneur that contributes to a more balanced approach between two cultures, Inuit and western. One participant from this research described it as a balancing act of having the wealth of Inuit knowledge and the wealth of western knowledge; one subsumes the other in an embrace. Successful entrepreneurs can pass on their self-determination that they fought for, for a more balanced or equitable power between the two cultures as contributions to future

business owners and/or executive officers. The programs are in place already and this will enrich those programs.” (Cunningham, 2017, p. 35)

This new business culture that Cunningham describes provides for an optimistic view of the future for Inuit and upcoming entrepreneurs, particularly as Nunavut strives to achieve greater self-reliance through *inuusivut*.

There is unfortunately a lack of research about emerging trends in business strategy among Inuit entrepreneurs. It would be interesting to contrast business cultures and principles among Inuit and non-Inuit entrepreneurs in Nunavut with business strategies commonly employed in the south.

3.3 The Nunavut Business Service Network

Nunavut has created a large small business service network to support its entrepreneurs. As indicated by Figure 2, there are a variety of financing products available for small businesses.

It is important to understand the differences between a contribution and a grant:

- A contribution is a non-repayable amount of funds which is given to a recipient, but the recipient is carefully instructed on how the contribution can be used. This differs from a grant, which would have greater flexibility in its use (Treasury Board of Canada Secretariat, 2002).

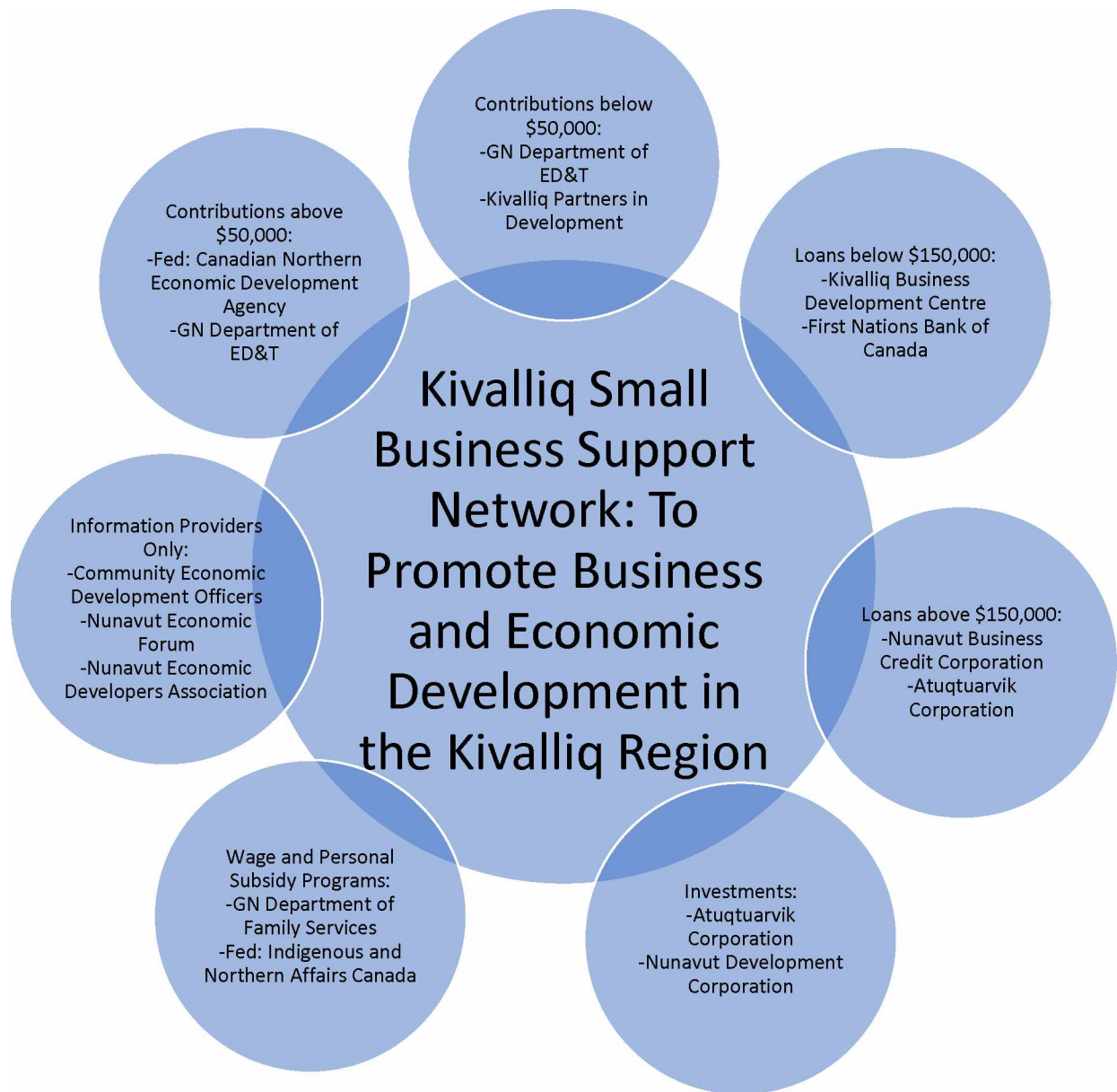


Figure 2 Kivalliq Small Business Support Network

Each organization is described below:

The Government of Nunavut Department of Economic Development and Transportation (ED&T) provides small grant (contribution) assistance of up to \$50,000 through their Small Business Support Program and large grant assistance through the Strategic Investments Program. These programs are available to all residents of Nunavut who are operating a business in the

region. Projects generally need approximately 50% funding from other sources, preferably owner equity or debt financing. ED&T also provides funding to all communities in Nunavut to employ a Community Economic Development Officer who acts as an information resource for residents on how to apply for these business funding programs (ED&T, 2016).

The Government of Nunavut Department of Family Services also offers wage subsidies through its training on the job program (Government of Nunavut Department of Family Services, 2018) and Summer Employment for Nunavut Students (Government of Nunavut Department of Family Services, 2018). It also offers up to \$5,000 through the Nunavut Entrepreneurship Incentive in order to assist entrepreneurs in covering personal costs as they start up their business (Government of Nunavut Department of Family Services, 2018). The Nunavut Entrepreneurship Incentive has had issues with not being accessed by entrepreneurs in some years, due in part to its application requirements of providing a complete business plan (Van Dusen, 2015).

The Kivalliq Business Development Centre is a Community Futures organization which provides loans of up to \$150,000 for small businesses in the Kivalliq region. It charges an interest rate of 10%, which is higher than average market costs, as it is a lender of last resort and is expected to take on additional risk (Kivalliq Business Development Centre, 2016). It is similar to the ideas of American President Kennedy's community development corporations, which would provide business loans to higher risk clients that traditional banking institutions would not support. These community development corporations revolutionized disadvantaged economies that may have otherwise remained undeveloped (von Hoffman, 2012, p. 22).

Atuqtuarvik Corporation provides loans that are a minimum of \$150,000 to businesses across Nunavut that are majority-owned by Inuit land beneficiaries. Atuqtuarvik also does equity investments (Atuqtuarvik, 2016).

The Nunavut Development Corporation (NDC) does equity investments in businesses that are likely to produce positive social impacts for Inuit, particularly in smaller communities. Equity investments can either be for a determinate or indeterminate term. NDC particularly supports businesses that promote traditional economies (NDC, 2016).

The Nunavut Business Credit Corporation (NBCC) provides large loans of up to \$1 million for businesses across Nunavut. Entrepreneurs do not have to be Inuit land beneficiaries (NBCC, 2016). NBCC has been accused of lacking transparency before by not publicly disclosing which businesses it had made loans to (Ducharme, Secrecy at Nunavut lender may continue despite calls for transparency, 2017). It is understandable that they may be hesitant to disclose names, as clients may be less likely to approach NBCC for loans if they perceive that their confidentiality will be at risk. NBCC has also had to take legal action against some clients for non-repayment of large loans, which may be indicative of some client repayment issues (Ducharme, Bankrupt Nunavut taxi operator faces fraud charges, 2016).

The Canadian Northern Economic Development Agency (CanNor) is a federal agency that provides grants of up to \$99,999 for small majority-Indigenous owned businesses and \$250,000 for Indigenous community-owned organizations. Projects need to be 10-15% financed by the entrepreneur and 50% financed by other granting and lending institutions. This program is facilitated by Kivalliq Partners in Development (KPID) in the Kivalliq region (CanNor, 2016 and KPID, 2016).

The First Nations Bank of Canada (FNBC) has been increasing their presence in the Kivalliq, particularly by opening a branch in Baker Lake. They can offer small business customers overdraft coverage, operating lines of credit, and term loans to a maximum of

\$100,000. They also offer larger commercial products of operating lines of credit, term loans and mortgages, and letters of credit (First Nations Bank of Canada, 2016).

Kivalliq Partners in Development (KPID) is a subsidiary of the Kivalliq Inuit Association and provides grant assistance of up to \$125,000 through their Business Development Fund, though they can only access \$35,000 in a single year. Owners need to contribute a minimum of 10% equity. This program is available to Inuit land beneficiaries who reside and operate their businesses in the Kivalliq region (KPID, 2016). KPID also administers the First Nations and Inuit Youth Employment Strategy funding on behalf of Indigenous and Northern Affairs Canada, which can serve as a wage subsidy program for small businesses (Indigenous and Northern Affairs Canada, 2010) They also administer the Entrepreneurship and Business Development (EBD) program on behalf of the Canadian Northern Economic Development Agency (Kivalliq Partners in Development, 2016).

An interesting element of the EBD program is how its equity requirements are structured. KPID's business development funds can be considered as part of client equity; this is because KPID administers funding for business development for the Kivalliq Inuit Association; the money is viewed as being meant for Kivalliq Inuit (Kivalliq Partners in Development, 2016).

In the case of a \$100,000 project, its funding could be sourced in this way:

Table 4 How could a 100% Inuit-owned business fund an eligible \$100,000 business project?

Funding Type	Source of Funds	Amount	Percentage
Personal Savings	Client	\$1,500	1.5%
Contribution	KPID	\$13,500	13.5%
Contribution	CanNor	\$35,000	35%
Contribution	ED&T	\$15,000	15%
Loan	KBDC	\$35,000	35%
TOTAL		\$100,000	100%

(Kivalliq Partners in Development, 2016)

There are a few items of note from the table above. Firstly, an eligible business is able to generate \$63,500 in contributions from a \$1,500 personal contribution; this assists in creating a much more advantageous environment to start up a business in. It also assists financially disadvantaged entrepreneurs in starting up a business. Unfortunately, a key indicator of an entrepreneur's commitment to a project may be their contributed savings; this funding model eliminates this way to determine or prove commitment.

Secondly, there are four funding organizations involved. This funding model is beneficial for the organizations. All of the organizations are able to play a role in an eligible project. This diversifies their funds, which is particularly advantageous to a lending organization as their risk is reduced. It also provides assurance for all of the organizations that the other organizations also believe that a project is eligible and viable. This model is not, however, advantageous to the entrepreneur. The entrepreneur will have to navigate the programs of multiple funders and meet multiple reporting requirements. This will take a great deal of time and coordination to obtain the funds and use them properly.

It is evident that all the organizations have very similar mandates; they all want to promote economic and business development for Nunavummiut or for Kivalliq residents. There

are only small variations, such as whether they are for all Nunavummiut residents or only for Inuit.

3.3.1 History of Business Support Programs in the Kivalliq Region

Although the history of business support services in the Kivalliq region is not very long, it is quite interesting. Interviewee S13 provided many insights into the early history of business development programs. There are three distinct strategies in small business development that have been implemented since the 1980s which will be explored and defined as the following: Distant Separatist (1980s); Regional Conjoint (1990s- May 26, 2005); and Regional Separatist (May 26, 2005-Present).

These strategies are defined as follows:

- Location of Decision-Makers
 - Distant: This infers that the primary decision-makers on financing for small businesses are located outside of the Kivalliq region. The advantages to this are that there may be a greater guarantee of theoretical expertise from decision-makers, as there may be a greater pool of employees to choose from. The disadvantages to this are that they are removed from the region and may not understand important regional social or cultural conditions.
 - Regional: This infers that the primary decision-makers on financing for small businesses are located within the Kivalliq region. The advantages to this are that there is a greater guarantee that decision-makers are knowledgeable in important regional social, cultural, and economic conditions and have a vested interest in the economic development of the territory. The disadvantage is that there may be a greater risk of conflicts of interest due to the limited population size of the

Kivalliq region and difficulty recruiting decision-makers who may have the necessary theoretical knowledge.

- Organization of Business Service Network
 - Separatist: There are many separate organizations that provide financing and services to support small businesses.
 - Conjoint: Subsidy and loan programs are delivered from one unified source. They can either be delivered through a non-profit organization or a government.

Distant Separatist (1980s to Early 1990s)

In Nunavut's GNWT days, there was a great deal of centralization out of Yellowknife for business funding.

“Back in [the mid 1980s], all decision making on everything was in Yellowknife. This was before computer technology. Everything was either a form...and slow decision-making process because everything was by mail. Now I witnessed what happened with technology when it came along. It was a bit frustrating sometime when you had short seasonal timelines, you had to really factor in that you needed to order in supplies. You had to make sure that you had everything in place, all the boxes were checked off so you could meet those timelines. They were relatively lengthy processes.”

-Interview S13

This would have caused many challenges for businesses trying to start up or expand. They would have had to plan well in advance to accommodate not only for potentially lengthy times to process their applications for funding, but also for mail to arrive. In some cases, it may not have been possible to accurately forecast how much you would need that far in advance.

There were, however, some micro-contributions that were provided and under the jurisdiction of local Economic Development Officers.

“[There was a program] called grants to small business. The maximum amount was \$5000. [Economic Development Officers] had an approval level. A client could walk in, give you a very simple application. It was a grant, so they didn’t have to provide you with a very big report. You could decide there and then if the client could have a \$500 or \$1000 grant. Anything above that would have to go to a regional office. That was a support program that really helped people. It made it a lot easier for them. It helped microbusinesses and little seamstresses whose husbands went hunting. They would eat the seal, because it’s healthy, but what would you do with the pelt? Well the wife would dry it, maybe tan it, and then make clothing out of it and sell it. I saw that as being a benefit-benefit-benefit. I was really big on that stuff. I used that as a tool in my toolbox a lot. I maxed out that grant budget every year and I was looking for more. It was easy to deliver and it made so much sense.”

-Interview S13

The beginning of a shift towards regional decision-making occurred with the opening of a Business Credit Corporation, now known as the Nunavut Business Credit Corporation, in Iqaluit (formerly known as Frobisher Bay). According to interview S13, “It was the first time [a business support program] was outside of Yellowknife. Clients primarily went there for business expansion projects”.

Regional Conjoint, Non-Profit Delivery (Early/Mid 1990s to May 26, 2005)

In this period, the organization known as Kivalliq Partners in Development was created “to put business subsidy and loan programs under one roof” (Younger-Lewis, 2005). KPID was responsible for distributing \$700,000 for community initiatives (CIP), with \$100,000 allocated to each hamlet in the Kivalliq region; and \$225,000 for the contributions to business development program. Hamlets would apply for the CIP funds while small to medium-sized businesses would apply for the business development program funds (Greer, 2005).

There were numerous reasons for this new delivery method.

“[Kivalliq Partners in Development was formed in an effort to try] to help EDOs in every community...wondering how [business development program delivery] could make their lives easier. How can [programs be delivered in a way to] make their professional lives easier, and not so cumbersome, and no so paper intensive; that’s not about going to five different agencies to find pots of money to fund a client.”

-Interview S13

Interestingly, these issues that KPID was intended to remedy are still occurring today, according to many interviewees. This will be explored further in the section 4.1.

“I sat down with a woman from the Kivalliq Inuit Association and showed her a map of how many different programs were out there, and we were competing against one another to help the same people. I was trying to help Aboriginal communities and Inuit people and they were trying to do the same thing. [It was decided that] we should form an organization and co-fund this organization. We should merge some of our funding together and come up with a consistent policy criteria that meets both of our organization’s requirements so we can pool our funds together, so we can have a bigger

pot of money. It's administratively more effective...and we can make it a lot easier for people who (a) work for us and (b) help people at the end of the day. [Thus] we formed Kivalliq Partners in Development. It brought ED&T, [the Kivalliq Business Development Centre], Business Credit, and KIA's training funding together. It was a one-stop shop for business and community development. It took a lot of energy to get up a running. A lot of show-me to our organizations. There was a lot of skepticism."

-Interview S13

The conjoined method is remembered fondly by some. Interviewee B03 described it as "In the past, all economic development groups made the decision [about whether or not to fund a business's proposal] at once together...[the business should only] fill out one application, and [the business support organizations] all meet. [The method we have now] is way too time consuming".

Regional Separatist (May 26, 2005-Present)

The partnership agreement between KPID and the Government of Nunavut ended on May 26, 2005. It does not appear that the Kivalliq Business Development Centre was fully operational at the time as there are no public records of its operations.

The final decision for the Government of Nunavut to take back its funding programs was implemented on May 26, 2005. There were numerous reasons for it.

The Mayors of the hamlets in the Kivalliq region were not satisfied with how applications for CIP funds were managed. The mayors said that they "wanted CIP funding reviewed, with the intent of having it dealt with by [ED&T] instead of an appointed body [being KPID]" (Greer, 2005). They felt that the KPID did not evaluate economic development projects consistently and

that they “[were] trying to find ways for proposals to not work, instead of the other way around” (Greer, 2005). They were also concerned that applications were not being evaluated consistently and were based “strictly on the merit of [the] proposals”, rather than the merit of the project itself (Greer, 2005). They also felt that there were delays with approvals which would have negative impacts on businesses and communities (Younger-Lewis, 2005).

Additionally, ED&T felt that the program was outdated. The Kivalliq region was the only region where the government itself was not running its CIP and business development funds (Younger-Lewis, 2005). ED&T decided to instead administer the \$100,000 per community directly to the communities, rather than through an intermediary organization to follow suit with other regions and reduce the amount of administration and delays (Younger-Lewis, 2005).

The CEO of KPID at the time, Ron Dewar had not believed there to be inconsistencies. He also stated that “An ED&T senior representative was at our review committee meetings and had the final call on any proposal outside the guidelines. If that person said a proposal didn’t fit the program criteria, we, more or less, had to respect that interpretation” (Greer, 2005).

There were issues with this approach. Firstly, as interview S13 described, there was skepticism from some of the contributing organizations. Skepticism and hesitation are not conducive to a strong partnership.

Secondly, it is not evident that all of the organizations had the stability or support to maintain this partnership. This assumption is based on KBDC’s apparent absence.

Thirdly, the relationship between KPID and ED&T appeared to be more of a principal-agent relationship than an actual equal partnership. There are various indications of this. An employee of ED&T was described to have final say over which projects are supported if they do

not clearly fit into the guidelines; that is demonstrative of a superior and subordinate relationship.

Lastly, it appears that there were perceived issues with transparency from the community. It is critical that an organization which supports economic development be viewed as trustworthy, supportive, and transparent.

CHAPTER 4 RESULTS

4.1 Current Issues

Interviewees were not directly asked about what issues currently exist within the Nunavut Business Service Network. Many did, however, voluntarily offer information in their answers which has been compiled below. This information will be used to guide final recommendations.

Effectiveness

“I think the role of business service organizations in aftercare is really, really important and undervalued. I did some follow up on some of my [workplace]’s clients from two to three years ago to see who was still in business. I was stunned that [fewer than half] of them were still in business...some [owners] had gotten jobs with the [Government of Nunavut]. One [owner] had passed away. The others had gone bankrupt.”

-Interview S03

As explored earlier, Nunavut has a lower number of licensed businesses per capita than southern Canada. There is also no doubt that Nunavut businesses may face a wide array of challenges that differ from southern businesses, based on responses provided by interviewees.

This interviewee’s observation is on a very limited sample size. It is impossible to confirm from that alone that over half of all small businesses in Nunavut fail after three years. It is, however, indicative of a problem. The purpose of these funds is to promote the success of small businesses; the number of businesses that are succeeding over numerous years is low, and it does not appear that the longevity of funded businesses is measured. This will be further examined in the section on accountability.

According to a relatively old study from Statistics Canada, about 85% of businesses survive for three years (Baldwin, et al., 1997). This figure is likely different today, but it can still provide a helpful benchmark. This indicates that Nunavut businesses are less likely to succeed than southern businesses.

Interview B09 raised an interesting point about a concept known as “serial entrepreneurs”. According to B09, these are individuals who start numerous businesses in order to obtain contributions, but rarely carry through with the businesses or carry on the businesses for very long. B09 had expressed frustration with the business support network, as they felt that contributions would be more effective if they were put towards businesses that have proven themselves.

Bureaucracy

“[A major challenge for businesses is] jumping through all the hoops. A lot of the times because of stacking limits...trying for a client to (a) understand what is available and (b) find their way through the minefield of what’s the best route, governments for some reason or another wanted to see other sources of financing other than equity in their proposals. But every agency had different rules about (a) what was included in it and (b) how you report on it. That was really confusing for a lot of people.”

-Interview S13

“Then what I’ve heard is that by the time the funding agencies receive the business plans which [were prepared by consultants and] can cost anywhere from 20 to 50,000 dollars is that when the staff person actually sits down with the potential small

business entrepreneurs is that they have little awareness of what's in the business plan. They don't really have a sense of ownership with a plan. Often the plans are too large, the standard 50 plus page plan, rather than really a work plan of a few pages that is tightly succinct that helps the business person know exactly what steps they need to take. As a result, I've heard repeatedly that many of the funders won't actually fund the starting of a business. So they've invested tens of thousands of dollars into a business case that never even gets off the ground. Or they'll have funded the business case for tens of thousands of dollars and then they'll tell the business owner you're eligible for \$5000. Or you're eligible for \$10,000 and not more than that. So it's absurd that the business case has been funded for something like 10 times the cost of what the business is eligible to receive to start up."

-Interviewee B12

There appear to be many regulations in the Nunavut business service network. The degree of bureaucracy is in part because of how many different organizations there are, and each one reports to a different entity. Thus, there will be different regulations to abide by. This can be overwhelming and frustrating to entrepreneurs. In some cases, as evidenced by interviewee B12, the regulations may not necessarily make sense. As a result, a business plan project could cost \$30,000 but only allow for a later capital project to be funded for \$5,000.

Accountability

"A big part of my role is helping clients access our funding programs. If we don't get all the money out, it gets lapsed and we can't carry them over. If we lapse [funding] too often, [our funders] may cut the amount of funds we get for

businesses next year.”

-Interview S03

“I remember when I was at [a business service organization] and there was one year over 20 new businesses had been created, and that was touted as a success. I asked a year later how many of those businesses were still operating and the then-[organization employee] said “well that doesn’t matter. What we count is how many businesses get started”. And I said “no, no the success is how many are still in business”.”

-Interview B12

“[Governments] don’t like to talk about their free money programs. They’re very quick to chastise people who have some kind of accountable component where they have to get the money back and wag their fingers at them when in fact they aren’t subject to that same level of due diligence and same level of responsibility to get the money back that they pushed out the door. It’s gone. Millions and millions and millions and millions is just gone. Without any clue what that money really did or didn’t do.”

-Interview S07

It appears that the metrics of success by which business service organizations, particularly contributions organizations are evaluated are very short-term in nature. This can create numerous issues.

It appears that contributions-based programs are mostly evaluated by a single performance metric: the amount of funds disbursed in a single period. It is generally predicted

that the efficiency of a principal-agent contract “may be increased if it is based on two or more performance measures” (Scott, 2012, p. 389). The short-term nature of this evaluation metric may encourage contributions-organizations to disburse funds to businesses which may not actually be viable. There is no way of proving that this is not the case if these organizations do not have to disclose who received which funds, or follow up to prove which businesses are still operational in the years going forward.

Transparency

“We have never managed to get funding from [an organization that provides contributions]. I am not sure how they make their decisions or how [the organization] forecasts their spending, because it seems like they are always out of money. I feel like part of the problem is that there is this perception that our businesses is successful and doesn’t need the help, and [organizations] want to focus on budding entrepreneurs, not established ones...It would also help if the [organizations] clearly communicated when they run out of money.”

-Interview B01

“The Boards [of some business service organizations] are not qualified to make decisions [about who should receive funding]. It’s more about who you know.”

-Interview B03

This research is being analyzed from a social constructionist point of view. The grave concern that these two interviewees bring up is that they perceive the decision-makers to be inconsistent in selecting who should receive funding. There is also a concern that some believe

that only friends of decision-makers can receive funding; there is a perception that the process is unfair.

Business owners who are rejected for funding may be more likely to perceive the system as unfair or unsupportive; however, clarity from the business service organizations may reduce the risk of the perception being perpetuated. It may also better inform businesses as to how to prepare their business funding applications; if they understand exactly how they will be evaluated, they may be better able to present their plans and obtain funding.

Interview B01 also indicated that they wanted to know when organizations run out of money. Given that a primary mandate of these organizations is to provide funding, it is a very valid request which could assist many business owners. If there is an understanding of when funds tend to become fully distributed, it could help business owners understand when they should submit their applications. Furthermore, it is less likely to negatively impact business owners who may be reliant on receiving funding in order to make a major purchase.

Confidentiality

“There has also been problems with people who want to start up a business or expand the business who have sought out government funding and who had their interest proposals or information reported and shared with their competitors. It’s important that business information in those circumstances is kept strictly confidential, not atypical, and that there is real recourse against an employee who breaches confidentiality.”

-Interview B12

“[Clients] ask a lot of questions about other businesses who do similar types of activities that they do, those kinds of things.”

-Interview S05

There are unfortunately many opportunities to inadvertently violate confidentiality. First and foremost, there are not that many businesses in the north. Communities are small and the operating conditions of northern businesses as opposed to southern ones are vastly different. As interviewer S07 noted, “There are companies in Nunavut that have heavy equipment operations in the front and sell pizza in the back”; it is essential to diversify revenue opportunities, given that the local consumer base is small and potentially has a limited income. As a result, most businesses that want to start up may want to reach out to find out how others have managed to maintain operations. This may be perceived as a loss in confidentiality.

Furthermore, there are many non-profit organizations in the Nunavut small business service network. Most of these organizations are comprised of volunteer boards, who sometimes are responsible for making decisions regarding who to fund or lend money to. The boards strive to recruit board members with business knowledge or experience. As a result, it is possible that a competitor may be a board member, given the limited pool of eligible candidates to select from.

Oversaturation of Funders

“There’s a tendency for a lack of coordination between the different funding agencies so if you go to one they’ll often recommended that you go to a different agency and they’ll recommend you go to a different agency, so at the end of the day you feel like a ping-pong ball that is being bounced around. I mean we all understand and appreciate that there are multiple sources of funding but we lack a

sort of a one window approach.”

-Interview B12

“I think there’s too many small business support programs chasing too few businesses... We’re in competition with [each other].”

-Interview S07

“Too much money is spent on wages for redundant administrative jobs in too many organizations. [If the organizations were combined], you [would] only need one [administrative staff person].”

-Interview B03

There is an interesting paradox of sorts occurring in the Nunavut small business service network. On the one hand, as evidenced by interview B12, there is a great deal of collaboration between the organizations; so much so, that it may create confusion and frustration for entrepreneurs. Given the great deal of bureaucracy that already exists in Nunavut, this may create a further disincentive to start up a business.

On the other hand, there appears to be competition between the different organizations. As interview S03 said earlier, they must distribute all their funding, or else risk losing it for next year. Interview S07 further elaborated by explicitly stating that they are in competition.

This creates a “race to the bottom” of sorts; organizations with more relaxed eligibility criteria or application processes may have more ease in distributing their funds, and thus will not lapse their funding. On the one hand, this may be better for businesses, in that it could encourage business service organizations to create an easier process.

However, it may also encourage organizations to provide funding to business owners who may not be prepared to start a business. Some interviewees have noted that businesses have business plans written by consultants, but do not actually understand what is in the plans. It is also unclear how effective contribution programs always are, based on anecdotal evidence provided by interviewees.

The high number of non-profit organizations also increases the risk of breached confidentiality, as discussed before.

Communication between Organizations

“[Business service] organizations need to understand what other organizations are doing. We need more communication and collaboration. The system is very fragmented now. There is repetition between organizations, but big gaps that need to be filled.”

-Interview S02

“We need an updated list of what funding is available. We need to bridge the communication gaps between funders and make sure we don’t duplicate funding.”

-Interview S04

There are many business service organizations, and funding programs and policies may change with little warning. Moreover, the speed at which funds are allocated may vary between organizations with little predictability as to who will run out first. It would be more convenient for clients if all organizations knew how much funding was remaining at the other organizations. Lastly, each organization may have different eligibility criteria or reporting requirements that they all need to understand.

Another raised issue was the repetition between funding organizations. When organizations repeat others' funding programs, it is more likely to create a sense of competition between the funders rather than a path for collaboration.

Lack of Trust in Employees of Organizations

“We are considered gatekeepers to a bunch of grant money. Clients want more [money]. The money that we can help them get access to, more than our knowledge...but during the whole process, they understand that the knowledge may be even more helpful than the money...The reason why some businesses fail is that some business officers don't illicit trust in Inuit entrepreneurs, so some entrepreneurs do not take up their offer to help out. Some analysts fail to offer business advice.”

-Interview S13

“I am mostly asked about what funding is out there. They don't ask for business advice as often as I would have hoped. Sometimes, I would find out after that they were having some major business problems. I wondered why they wouldn't tell me about it. But I was what was standing between them and [the money] they needed to keep their business going, and they didn't know me well enough to trust that I would help them. No wonder they wouldn't ask me for help.”

-Interview S03

“One of my challenges has been that I trusted in some [employees of business service organizations] who I believed to have the capability to help me. Only to find out that they didn't have the capability to help and then it sort of sent my

business into a bit of the detriment or downward spiral... So I think one of the biggest challenges for me was to find people who could really do the work that they said they could do.”

-Interview B11

“People who deliver [business support] programs should actually know what they are talking about. They should be people who have owned a business themselves, and not just have academic knowledge.”

-Interview B05

“So that’s probably the biggest thing, how we can help them know who the people are that we can send them to. It’s not so much of financial aspect as knowing the right people and understanding how they can help small business...[Nunavummiut] who understand how business up here works.”

-Interview S05

“Staff in the [Nunavut] business network need to have owned their own business. They need to have capacity and experience...probably the best people would be people near retirement.”

-Interview B04

This should be a deeply troubling issue for business service organizations. On the one hand, there are business service officers who want to provide advisory services to business. On the other, there are business owners who do not perceive them as having adequate experience, or who feel that they misplaced their trust in the employees.

It seems that there is a precise “sweet spot” for business service officers: it is ideal if they are from Nunavut or have lived in the territory for a long time; that they have owned their own business before, ideally for a substantial period; and have financial literacy skills and capacity. This would be a very limited pool of ideal applicants.

There are a minimum of fourteen business service organizations: all of them have a minimum of one business service staff; many of them have boards of directors they report to, who also ideally have these skills and experience. This does not include each of the twenty-five municipalities, all of whom have a minimum of one Economic Development Officer who should have a similar skillset. There is then a greater demand for people to fill these positions than there is supply.

This may create a different issue though: when interviewee B01 was asked how the business service network could better meet their needs, they suggested that “[they] should stop stealing our employees”. Interviewee S03 had noted that some of the businesses that shut down had done so because the owners had been offered jobs. Given that this is already an issue, increasing the skills, knowledge, and experience requirements of employees may exacerbate the issue. Thus, the only feasible way to have increased employment requirements is to reduce the number of positions that need to be filled, without sacrificing services to businesses. This will be explored in greater depth further on.

4.2 Responses to Interview Questions

Due to the length of the tables of results, they are all included in Appendix 1.

Question S1: What do you believe are the purpose and goals of your role?

This question was asked to understand the vitality of funding to service employees. Interestingly, they did not consider funding as a group to be the most important purpose or goal of their role: rather, it was to provide advisory and support services for businesses and communities. This contradicts the author's predicted response, which would have listed funding as the most commonly important role.

This indicates that service employees may place a high degree of importance on advisory services, perhaps more so than funding distributions. However, it is unclear how, or if the delivery of advisory services are taken into account in the evaluation of business support programs. As it was stated earlier, it seems that some of the most important criteria for support program success are on the amount of funding distributed and the number of new businesses that were started up. There may be a disconnect in the selected key performance metrics and what business service employees view as most critical in their roles.

It was also noted that none of the interviewees indicated that policy development was a part of their role. All the interviewees were focused on program delivery. This may indicate a poor sample selection, or it may indicate that policy makers are removed from ground operations.

A particularly interesting point was raised by interviewee S09:

“I also spend a lot of time convincing [Inuit] people of what they are worth. They don't see themselves as 'business people'. They're very humble. They don't realize how much they do, and how much that's worth.”

This may be the base of an immense challenge in formal business development in Nunavut. As it was discussed earlier, Inuit economic models and Western economic models are vastly different. Inuit culture also tends to promote humility, much more so than Western culture.

This may also be, in actuality, a by-product of colonialism. Some researchers analyzed how colonialism was enacted in Africa. An important strategy in colonialism that they noted was to “[devise] a variety of tactics, all to undercut self-provisioning agriculture and thus make rural populations dependent on plantation wages” (Moore Lappé & Collins, 1978, p. 42). An application to Nunavut could be to undercut entrepreneurship and make Inuit settle into one location and be dependent on products and services from the south. If Nunavut entrepreneurs are conditioned to believe that they are not business people themselves, they may be more likely to feel disempowered and thus stick with the status quo. They may also be less likely to take advantage of the business support services which are designed for them.

Question B1/S2: How would you define a successful business in Nunavut?

The same question was asked to both entrepreneurs and service employees to juxtapose their responses, and to see if they view business success in the same way. Furthermore, it was used to understand if the business service network is evaluating business applications in a way which is congruent with Nunavummiut entrepreneurs.

Both groups placed virtually the same level of importance on the financial success of businesses. Financial health was also perceived as the most common indicator of success.

There were substantial differences in the next-most important factors of success. Businesses placed a greater value in providing social benefits and new and better services to their

community. Meanwhile, service employees placed greater importance on jobs, social benefits and business planning.

The priorities of success of the business owner could be quite empowering. The consensus is that a business needs to be financially viable; unfortunately, given the many challenges in Nunavut, consistent cash flow may not be possible. As such, some smaller businesses may not be able to always guarantee a position for an employee. They are, however, more likely to be able to guarantee an available service or social benefits to the community. This could be placing importance on outputs that are more within the control of entrepreneurs.

Service employees are approaching business success through a different lens. It appears as though service employees are looking at businesses from a more macro point of view and have a strong focus on economic theory. This aligns with the goal of their role which they perceived as being second-most important: economic development.

Service employees placed a greater degree of importance on business planning itself: having a set goal which the business meets; overcoming challenges; and actually being planned. Only one entrepreneur expressed that writing proposals was a sign of success, and their response could have been interpreted as the fact that a business offers proposal writing as a service would be a sign of success. This may have negative connotations for the business funding application process, which tends to be heavily based on the quality of the business plan.

A common theme in response to different questions was on the reliance on consultants to produce business plans which are generally perceived to be overpriced. Interviewee B12 had discussed how the business plan requirements in funding applications only seemed to benefit consultants. This disparity in importance on business planning may infer that business planning

does not contribute as much to an entrepreneur's success as the service network believes, and it may be placing an unnecessary burden on entrepreneurs.

Question B2: Who do you go to for help when you have questions about your business?

This question was asked to understand who entrepreneurs perceive as being reliable providers of business advice. The fact that professionals were considered more often than personal connections such as family members was unexpected. It is possible that had more Inuit entrepreneurs been interviewed, these ratios may be different.

The amount of entrepreneurs who indicated that they spoke to business service professionals was also unexpectedly high. This is positive. It is interesting how many more entrepreneurs reach out to lending institutions (6) for advice compared to institutions that provide contributions (2).

There are two possible explanations for this. Firstly, lending institutions have a greater level of accountability than contributions organizations do. Contributions organizations may only be evaluated by the amount of funds distributed, and it does not seem that there is much multi-year follow up. Lending institutions, on the other hand, also must have a high collection ratio. This embeds a longer-term metric of accountability. As such, the recruitment and retention of knowledgeable staff who induce trust from their clients may be more critical than for contributions organizations. This can also be a point of contention between organizations within the business service network, as expressed by interviewee S07 and their frustration with the perceived hypocrisy of governments who place greater accountability on the programs of others than their own.

Secondly, there is a forced longer-term relationship between a lender and a business than a contributions provider and a business. This relationship is formed because of the greater accountability to lending organizations; they will have to have more regular interactions for the sake of collecting payments. The higher frequency of communications may lay the ground to foster a relationship of trust between the business and lender. This should be encouraged, particularly since most business service employees view providing advisory services as being one of the cornerstone roles of their position.

Question S3: What do your clients commonly ask you?

This question had been asked in order to juxtapose what service employees view as being the purpose and goals of their role (question S1) and what clients tend to approach them for, or perhaps view as being their role.

It was predicted that clients would primarily ask about funding. This was indeed the case. It is concerning that only half (6) of service employees indicated that they are asked questions of a business advisory nature, whereas 83.33% (10) of them viewed business advising as a cornerstone of their role. This indicates a disconnect between what service employees view as their purpose and perhaps what clients view as their purpose. This may lead to greater frustration among employees of the business service network, who may feel that their skills and knowledge are not being adequately accessed.

It is interesting that the second-most common theme of question relates to starting a business. Numerous business owners indicated frustration by the level of attention the business service network pays to start-up businesses who have yet to prove themselves as viable businesses. Yet, it does not seem that the existing businesses are approaching support

organizations as much for support beyond funding. Could this be due to a lack of trust, which some business owners have stated that they have, and some service employees have stated that they perceive to be present? It is very possible. If some existing business owners do not perceive service employees as being effective business counsellors, it could be easy for service employees to believe that existing businesses do not need as much support, and thus they should continue to place their efforts on supporting start-up businesses. Thus, a self-fulfilling prophecy is born.

QB4/QS5: What do you believe are the greatest challenges for your business/business?

What is perhaps most interesting in the results of these questions are that service employees seem to be identifying more challenges than business owners are. This supports the suspected indication earlier that service employees are focusing on a more birds eye view of business development, whereas entrepreneurs are more focused on the community level. Of course, it must be noted that the minor difference in phrasing in these questions would encourage service employees to focus on a more birds eye view compared entrepreneurs.

These results seem to indicate that both groups perceive challenges somewhat similarly. The only substantial differences are that service employees seem to perceive a greater challenge from larger scale issues such as supply chain management and a lack of infrastructure. This may be because service employees could be focusing more on start-up businesses whereas the entrepreneurs who were interviewed were all established. As such, the entrepreneurs had already adapted to the realities of the markets they operate in. One service employee noted:

“There’s two kinds of businesses I dealt with: one kind, it didn’t really need my help and the other that needed way more help than I could give.”

-Interview S10

Small businesses who are struggling with the lack of infrastructure or supply chain management issues could be the second type that interviewee S10 was discussing. Those businesses are the ones that are, unfortunately, more likely to fail than succeed as they are issues that, though surmountable, could be exceedingly difficult to overcome without an adequately adapted business model.

QB3/QS5: How have business service organizations helped your business? / How do Business Support Programs Help Businesses Overcome Challenges?

The results of these questions follow patterns explored earlier. Funding is viewed as the primary support instrument in the small business service network. Service employees may have overestimated the perceived value of their advisory services to entrepreneurs.

QB5/QS6: How could the Nunavut Small Business Service Network better support your business/business?

The juxtaposition of these results is essentially an inverse of the juxtaposition of the results of questions regarding the challenges businesses face; whereas service employees perceived more challenges before, businesses perceive more solutions as to how the service organizations could better help them.

Overall, a similar percentage of entrepreneurs perceived the same sorts of solutions as service employees as being effective for change. This included viewing improvements to support programs and education as vital, particularly a greater focus on aftercare services. However, where service employees were suggesting that more basic workshops related to governance and human resources management be available, entrepreneurs were suggesting advanced workshops, or continuations of workshop series. The greater demand for advanced workshops likely stems

from the fact that the established entrepreneurs either already understand the basic concepts, or already took the workshop.

There was also a greater demand to provide funding support to existing businesses, which service employees did not recommend as much. This likely falls back on the focus on new versus existing businesses.

There were some substantial differences. Firstly, businesses evidently viewed the need to remedy issues with staffing in the business network far more than service employees did. This may be due to internal biases of service employees. There is great cause for concern if entrepreneurs do not trust in the capacity of service employees.

One of the most notable differences was that six (50%) of entrepreneurs indicated that greater ease in applying for funding would be beneficial, whereas no service employees expressly indicated this. The heavy burden of bureaucracy presents a systemic challenge for entrepreneurs, which is being perceived as an unnecessary inconvenience. The complex nature of the programs of the business service network essentially serves as a test of the grit of entrepreneurs:

“There’s no doubt if you’re an entrepreneur, you’re a private business person, your job is to go out and fund your business and if you can access free capital that you don’t have to pay back,. Under any circumstance, whether its training on the job or SIP, it’s groovy. It’s free money, free money is great. But [some organizations] don’t do free money...So [they] have to get [their] money back...and if [they] don’t see in [the entrepreneur’s business] plan that they’ve taken advantage of free money offered out there all the time. It’s a sign...that they haven’t done their due diligence.

You gotta take that free money: don't come to [lending organizations] and get money at 6% or 8%: go to [contribution organizations] and get that free stuff.”

-Interviewee S07

Given that there are so many challenges associated with operating a successful business in Nunavut, this is an unnecessary challenge and is contrary to the mandates of most organizations in the small business service network. It is understandable why entrepreneurs would want this changed.

Businesses also had greater calls for corporate social responsibility, accountability, and transparency from business service organizations. This included recommendations such as governments ensuring that they actually buy from local businesses; ensuring all organizations release publicly available annual reports; and doing multi-year follow up to determine the effectiveness of small business support programs.

Emergent Themes

There were several themes that emerged from these interviews:

- Support for Start-Up Businesses Versus Established
 - There were concerns regarding the effectiveness of programs, particularly contribution programs, which entrepreneurs perceive to place a disproportionate amount of attention on start-up businesses which have not proven themselves to be able to survive.
 - There were calls for further support, including education support by offering advanced workshops or workshop series to enhance the skills of established entrepreneurs.

- There were calls for aftercare. Businesses received adequate support during the funding application process, but did not receive enough after they obtained funds.
- Trust in Service Employees
 - Entrepreneurs did not perceive service employees as having the same merit as allies and/or business advisors as service employees did. This was because of matters such as perceived lack of understanding or experience with businesses in Nunavut; lack of financial literacy skills; or lack of trust in service employees maintaining a satisfactory level of confidentiality.
- Bureaucracy and Funding Applications
 - The complexity of the different bureaucratic processes of the small business service network is cumbersome, inefficient and unnecessary. A simpler process should be made.
 - The business plans that are required for funding applications do not provide as much value to businesses as service employees believe that they do in their current form.
 - This would imply that re-adopting a conjoint strategy would be beneficial. That did not, however, work before. If a conjoint strategy were to be implemented, it would be critical that there be more open transparency and greater efficiency.
 - There is such an abundant amount of business service organizations and funding that they are competing with one another for distributing funds. This is not conducive to an effective business service network. This also creates competition for skilled staff and board members.

- Communications
 - Support programs and remaining amounts need to be better advertised to entrepreneurs.
 - There need to be greater communications between business service organizations to avoid product duplication and ensure all gaps are filled.
- Accountability and Transparency
 - There are no long-term measures of accountability that are enforced for service organizations, particularly for contributions. Measures of accountability are also overly focused on funding distribution. This needs to be changed.
 - Despite moving from a conjoint strategy to separatist to enforce additional transparency, this is still an issue within the small business service network.

4.3 Program and Policy Recommendations

The following recommendations would require a great deal of proper policy planning and consultation. These are only pitches, and require greater research if they are to be implemented.

1) Restructure Financing Programs

Current financing programs, particularly contributions-based programs, are perceived as being ineffective, providing little in aftercare services, and having little to no long-term accountability. Furthermore, the long-term relationship created between entrepreneurs and lending programs is perceived as being a valuable source of business counselling and recommendations.

Creating a program that focuses on temporary micro-investments rather than contributions could remedy all of these issues. The micro-investments could be for up to 49%

equity ownership with preferred shares and an expected buyout in three to five years¹. This would essentially be a loan with a variable interest rate; the interest rate would depend on how successful the business is. This would create a longer-term accountability and relationship, as both the business and service organization would be relying on one another in order to succeed.

Another option could be to have forgivable loan programs. An entrepreneur could receive a start-up loan of \$30,000. Half of it could be repaid over five years. There could be an extended grace period at the beginning to allow the business owner to start operations and generate revenue. The remaining half could be forgiven if after five years, the business is still operational and the entrepreneur's repayment history is determined to be sufficient by the Board. This could allow contributions to be provided, thereby supporting entrepreneurs, but they are combined with an accountability component and create a longer relationship between the client and business service organization.

2) Create a Pool of Board Members for Business Funding Approvals

Some businesses perceived decision makers to have a lack of financial literacy. Others were concerned that there was a lack of confidentiality when business plans were submitted, and competitors may get a hold of proprietary information. All of these are risks when there is a limited talent pool to select from.

The pool of board members would be from various industries across Nunavut. They would not provide recommendations on governance for organizations; rather, they would only be called upon to assist with business funding approvals. This could ensure that there is a greater

¹ This is not an original solution. Gabrielle first heard of this method from a business service employee from Greenland. She has been unable to find a source that is publicly available in English to confirm this, but it is believed that this method is used by an organization called Greenland Venture.

variety of board members to choose from who are potentially knowledgeable in the industry, but perhaps in another region of Nunavut to avoid direct competitors receiving business plans; or board members from the region of Nunavut the business is from, so there is also a local understanding.

This would be aligned with a conjoint business support delivery strategy.

3) Accountability: Metrics of Evaluation for Business Service Organizations

Business service organizations are perceived as not being accountable to clients after they have received funding. Metrics of evaluation are overly focused on the amount of funding distributed and the number of new businesses that are started up.

It is recommended to add an additional quantitative key performance indicator: number of entrepreneur help hours. This could measure how many hours a service employee spent assisting an entrepreneur. This could include providing information about available funding; assisting with networking; providing business counselling or aftercare; etc.

The challenge to this metric would be ensuring it is verifiable while not inconveniencing the entrepreneur. The most effective method would likely be to ask entrepreneurs to sign off that a meeting did occur on a certain date. This could be done by a service employee sending an email with brief minutes of their meeting, including its duration, and the entrepreneur replying “yes” or something else that confirms that it occurred. This could also help with knowledge transfer between employees at business service organizations in case of employee turnover.

4) One Portal Application and Information Website

Having a single website where entrepreneurs could easily find information on all available funding programs and apply for multiple funds through the same form would be an effective way to reduce unnecessary bureaucracy and effectively community with clients. It could also display information about all business workshops occurring throughout Nunavut, so an entrepreneur in the Baffin region may become aware of a workshop in the Kivalliq and apply for funding to attend, rather than waiting for the workshop to occur in their community.

This would require a great deal of collaboration between the different funding organizations. This website could also be very costly, given that it would have to be properly encrypted to protect the confidential information of entrepreneurs.

A further extension of this could be that all business service organizations use this to pool information about applicants in one place. This would require an immense amount of cooperation, but would ensure complete information sharing and reduce the amount of bureaucracy for the business owners.

5) Nunavut Mentorship Program

It may be inevitable that some entrepreneurs would rather not speak to their funders about business issues. The creation of a mentorship program, where new entrepreneurs could be matched with suitable mentors, could fill an important advisory role that will support them in succeeding. New entrepreneurs accessing funds beyond a certain threshold should be required to take part in the mentorship program.

On the other hand, a contribution program could be made available for existing businesses. They could be able to use the contributions for almost any capital or operating item,

except for the payment of dividends. In exchange for receiving the contribution, they must agree to serve as a mentor for a minimum of two years. Advanced training would also be made available to the mentor so they are capable of providing advice with confidence.

Mentors and mentees could be expected to meet at least once quarterly. They will create a set of meeting minutes and sign off on it. It will be a challenge to find a way to verify that these meetings truly occurred, particularly if neither the mentee nor mentor want to participate in this program.

6) Incubator or Business Advisory-Only Program

An organization that only provides incubator and advisory programs is recommended to act as a supplementary business counselling service. This could eliminate concerns for businesses of losing future funding opportunities by appearing weak.

If Economic Development Officers are expected to fulfil the advisory role, additional funds should be allocated to municipalities for these programs. These funds will be used to either recruit someone with the required experience and skills, or to train someone to obtain them. These funds should allow for Economic Development Officers to be paid a salary and benefits package that is competitive with the territorial government to reduce the risk turnover.

A minimum of one building could be reserved to provide temporary affordable commercial space in each community.

7) Collaboration with Nunavut Arctic College

The Nunavut Arctic College offers a management studies diploma, including a one-year certification program without specializations (Nunavut Arctic College, 2018). It is targeted for

students who want to learn about business, which could include how to run a business. This certification program, however, is one year and full-time, located in Rankin Inlet.

Nunavut Arctic College could be a valuable, if not the most valuable partner available in providing training for entrepreneurs given that the education materials and curriculum already exist. This could be done if there was a special entrepreneur training option: entrepreneurs could sign up to take classes; however, they would not actually be registered as students. They would pay a discounted entrance fee but would not be graded and thus would not receive a certificate for being in the program. It would be ideal if these courses could be offered by distance, but they could perhaps be offered in one-week intensive courses. This would be a prime example of assets-based community development (Bergdall, 2012).

8) Fully Fund a Training or Mentorship Program for Service Employees

Over half of the interviewed entrepreneurs indicated that they were not satisfied with the experience or skills of service employees. Many indicated that they wanted service employees to have had experience operating their own businesses in Nunavut. As it was discussed earlier, this creates a limited pool of target service employees.

A training or mentorship project for service employees could ensure that they have the skills or experience needed to be most effective in their role to best serve entrepreneurs. It is important that this program be fully funded; there is a risk that service organizations may not commit to the program if it is not, or it may debilitate their capacity to provide programming if they have to fund the training or opt to eliminate business development positions due to the costs of staffing them.

9) Provide Funding for Communal Business Infrastructure Projects

The current funding models provided by the business service network provide a great deal of financial support to individual businesses. Some of these businesses, however, may benefit more from having available infrastructure, such as affordable commercial space, rather than larger sums of funds available to assist businesses in building their own infrastructure.

Although some funds, particularly the EBD program funding model, provide large amounts of support while expecting relatively small amounts of client equity, the client is still expected to take on 35% debt. This can be very burdensome, particularly if it is for a large project such as constructing a building, which is costlier than it would be to build in the south. Other challenges included poor internet connectivity and high costs of shipping from poor transportation infrastructure.

If the territorial and federal governments invested in higher quality infrastructure, some challenges faced by businesses would be reduced.

CHAPTER 5 CONCLUSION

Nunavummiut entrepreneurs may have many challenges to face in their operating environment; but there are many organizations that want to help them. The Nunavut Business Service Network is comprised of numerous organizations who all have the same essential mandate: to promote business and economic development in Nunavut. This common goal should guide all organizations to come together as collaborators rather than competitors to create a supportive environment for small businesses. Regular communication and a joined effort to reduce bureaucracy should be prioritized immediately. The recommendations provided in this research would require careful planning, consultation, and likely phased implementation to execute them properly.

There is evidence of a gap between the perceived realities of the established entrepreneurs and the business service network, whose programs appear to focus on entrepreneurs in the start-up phase. It is critical to build a sense of trust and accountability between the two to support entrepreneurs throughout their business journey. It is also imperative that the business service network do more to ensure that it is perceived as a reliable place to seek advisory services rather than just funding.

This research is only a small piece in the advancement of the Nunavut Business Service Network. Further research may include: interviewing more Inuit entrepreneurs, particularly in smaller communities; conducting a longitudinal study in which entrepreneurs in the start-up phase are interviewed at the beginning of their business journey, and interviewed again five years later; conducting an interview with entrepreneurs to identify why they chose to start a business, and the implications that may have on the Nunavut small business service network; and

how the Nunavut small business service network compares to small business support programs in other Indigenous and circumpolar jurisdictions.

REFERENCES

- Agnico Eagle Ltd. (2017, February 16). *Meliadine and Amaruq to March Ahead*. Retrieved from Agnico Eagle: The Eagle Blog: <https://www.agnicoeagle.com/English/the-eagle-blog/blog-news-details/2017/Meliadine-and-Amaruq-to-March-Ahead/default.aspx>
- Appelbaum, B. (2012, March 28). *The Enduring Consequences of Unemployment*. Retrieved from Economix, New York Times: <https://economix.blogs.nytimes.com/2012/03/28/the-enduring-consequences-of-unemployment/>
- Argitis, T. (2018, January 5). *Canada's unemployment rate plunges to lowest in 40 years*. Retrieved from Financial Post: <http://business.financialpost.com/news/economy/canadas-unemployment-rate-declines-to-lowest-in-four-decades>
- Association of Consulting Engineering Companies - Canada et al. (2015). *Levelling the Playing Field: Supporting Mineral Exploration and Mining in Remote and Northern Canada*. Ottawa: Mining Association of Canada.
- Atuqtuarvik Corporation. (2016). Atuqtuarvik Presentation. *Kivalliq CEDO Conference*. Rankin Inlet: Government of Nunavut Department of ED&T.
- Baldwin, J., Gray, T., Johnson, J., Proctor, J., Rafiquzzaman, M., & Sabourin, D. (1997). *Failing Concerns: Business Bankruptcy in Canada*. Ottawa: Statistics Canada: Micro-Economic Analysis Division.
- Battle, K. a. (2013, November). *Poverty and Prosperity in Nunavut*. Retrieved from Caledon Institute of Social Policy: <https://maytree.com/wp-content/uploads/1027ENG.pdf>
- Bennett, J., & Rowley, S. (2004). *Uqahurait: An Oral History of Nunavut*. Montreal & Kingston, Canada: McGill-Queen's University Press.
- Bergdall, T. D. (2012). Facilitating Asset Based Community Development. In T. Timsina, & D. Peupane, *Chaning Lives, Changing Society: ICA's Experience in Nepal and in the World* (pp. 1-13). Kathmandu: ICA Nepal.
- Bernheim, B. D., Whinston, M. D., & Martin, P. M. (2011). *Microeconomics: Canadian Edition*. United States of America: McGraw-Hill Ryerson.
- Canadian Northern Economic Development Agency . (2016). CanNor Presentation. *Kivalliq CEDO Conference*. Rankin Inlet: Government of Nunavut Department of ED&T.
- Casey, H. (2018, March 20). *Premier Quassa releases Turaaqtavut*. Retrieved from Government of Nunavut: Department of Executive and Intergovernmental Affairs: <https://www.gov.nu.ca/eia/news/premier-quassa-releases-turaaqtavut>
- CBC News. (2013, June 5). *Major study shines light on Nunavut's suicide crisis*. Retrieved from CBC News North: <http://www.cbc.ca/news/canada/north/major-study-shines-light-on-nunavut-s-suicide-crisis-1.1373046>

- Chan, H. M. (2006). Food Security in Nunavut: Barriers and Recommendations. *International Journal of Circumpolar Health*, 65(5), 416-431.
- Cross, P. (2014). *The Public Purse versus Private Wallets: Comparing Provincial Approaches to Investing in Economic Growth*. Toronto: C.D. Howe Institute.
- Cunningham, R. (2017). *Inuit Qaujimajatuqangit Practices in Entrepreneurship*. Berlin: Lambert Academic Publishing.
- Curry, J. A., Donker, H., & Michel, P. (2016). Social Entrepreneurship and Indigenous People. *Journal of Co-operative Organization and Management*, 108-115.
- Dana, L. P., Dana, T. E., & Anderson, R. B. (2005). A Theory-based Empirical Study of Entrepreneurship in Iqaluit, Nunavut. *Journal of Small Business and Entrepreneurship*, 18(2), 143-152.
- Dana, L.-P. (1995). Entrepreneurship in a Remote Sub-Arctic Community. *Entrepreneurship: Theory and Practice*, 20(1), 57-72.
- Department of Executive and Intergovernmental Affairs - Government of Nunavut. (2013). *Nunavut FAQs*. Retrieved from Department of Executive and Intergovernmental Affairs - Government of Nunavut: <https://www.gov.nu.ca/eia/information/nunavut-faqs>
- Department of Executive and Intergovernmental Affairs. (2010). *Nunavut Economy*. Retrieved from Government of Nunavut - Department of Executive and Intergovernmental Affairs: <https://www.gov.nu.ca/eia/documents/nunavut-economy>
- Department of Executive and Intergovernmental Affairs. (2017). *Nunavut Economy*. Retrieved from Government of Nunavut Department of Executive and Intergovernmental Affairs: <https://www.gov.nu.ca/eia/documents/nunavut-economy>
- Ducharme, S. (2016, August 16). *Bankrupt Nunavut taxi operator faces fraud charges*. Retrieved from Nunatsiaq News: http://nunatsiaq.com/stories/article/65674bankrupt_nunavut_taxi_owner_faces_fraud_charges
- Ducharme, S. (2017, June 27). *Secrecy at Nunavut lender may continue despite calls for transparency*. Retrieved from Nunatsiaq News: http://nunatsiaq.com/stories/article/65674secrecy_at_nunavut_lender_may_continue_despite_calls_for_transparency/
- Ducharme, S. (2017, February 7). *Two Inuit-run businesses slated for closure in Nunavut's capital*. Retrieved from Nunatsiaq Online: http://www.nunatsiaqonline.ca/stories/article/65674inuit-run_businesses_slated_for_closure_in_nunavuts_capital/
- Edin, P.-A., & Gustavsson, M. (2005, September 1). *Time Out of Work and Skill Depreciation*. Retrieved from IFAU - Institute for Labour Market Policy Evaluation: <https://core.ac.uk/download/pdf/6559419.pdf>

- Edmiston, K. (2007). The Role of Small and Large Businesses in Economic Development. *Federal Reserve Bank of Kansas City - Economic Review*, 73-97.
- Fiscal Realities Economists. (2016). *Reconciliation: Growing Canada's Economy by \$27.7 Billion*. Gatineau: The National Aboriginal Economic Development Board.
- Galtung, J. (1980). Self-reliance: Concepts, practice and rationale. In J. O. Galtung, *Self-reliance: A strategy for development* (p. 8). London: Bogle-L'Ourverture Publications.
- Gilmore, S. (2016, September 11). *The North and the great Canadian lie*. Retrieved from McLeans: <https://www.macleans.ca/politics/the-north-and-the-great-canadian-lie/>
- Government of Nunavut. (2017). *Inuit Societal Values*. Retrieved from Government of Nunavut Website: <https://www.gov.nu.ca/information/inuit-societal-values>
- Government of Nunavut Department of Economic Development & Transportation. (2016). ED&T Presentation. *Kivalliq CEDO Conference*. Rankin Inlet: Government of Nunavut Department of ED&T.
- Government of Nunavut Department of Family Services. (2018, August 16). *Nunavut Entrepreneurship Incentive*. Retrieved from Department of Family Services: <https://www.gov.nu.ca/family-services/information/nunavut-entrepreneurship-incentive-nei>
- Government of Nunavut Department of Family Services. (2018, August 16). *Summer Employment for Nunavut Students (SENS)*. Retrieved from Department of Family Services: <https://www.gov.nu.ca/family-services/information/summer-employment-nunavut-students-sens-0>
- Government of Nunavut Department of Family Services. (2018, August 16). *Training on the Job (TOJ)*. Retrieved from Department of Family Services: <https://www.gov.nu.ca/family-services/information/training-job-toj>
- Government of Nunavut Department of Human Resources Planning and Strategic Priorities. (2011). *Towards a Representative Public Service*. Iqaluit: Government of Nunavut.
- Government of Nunavut et al. (2010). *Nunavut Suicide Prevention Strategy*. Iqaluit: Government of Nunavut.
- Greer, D. (2005, May 16). *A Change in Direction: Government Ends Funding Partnership with KPID*. Retrieved from Northern News Services: https://www.nnsi.com/archives/2005-05/may18_05f.html
- Hamlet of Rankin Inlet. (2018, August 16). *History*. Retrieved from Hamlet of Rankin Inlet: <https://rankininlet.ca/history/>
- Harder, M. T., & Wenzel, G. W. (2012). Inuit Subsistence, Social Economy and Food Security in Clyde River, Nunavut. *Arctic*, 66(3), 305-318.

- Indigenous and Northern Affairs Canada. (2010, September 15). *First Nations and Inuit Youth Employment Strategy*. Retrieved from Government of Canada: Indigenous and Northern Affairs Canada: <https://www.aadnc-aandc.gc.ca/eng/1100100027725/1100100027726>
- Kivalliq Business Development Centre. (2016). KBDC Presentation. *Kivalliq CEDO Conference*. Rankin Inlet: Government of Nunavut Department of ED&T.
- Kivalliq Partners in Development. (2016). KPID Presentation. *Kivalliq CEDO Conference*. Rankin Inlet: Government of Nunavut Department of ED&T.
- Kral, M. J. (2012). Postcolonial Suicide Among Inuit in Arctic Canada. *Cult Med Psychiatry*, 36, 306-325.
- Kusugak, P., & Ramcharan, C. (2016, April). *AEM Economic Impacts and Opportunities*. Retrieved from Nunavut Mining Symposium: <https://static1.squarespace.com/static/527e42c4e4b0aea5e0569d9b/t/5708203b4d088ecb27687697/1460150363093/5+-+Kusugak+-+Agnico.pdf>
- Légaré, A. (2007). The Reconstruction of Inuit Collective Identity: From Cultural to Civic: The Case of Nunavut. *Aboriginal Policy Research Consortium International*, 103-122.
- Moore Lappé, F., & Collins, J. (1978). Why Can't People Feed Themselves? In F. Moore Lappé, & J. Collins, *Food First* (pp. 75-85). Institute for Food and Development Policy.
- Nunavummi Nangminiaqtunik Ikajuuti . (2017, April 1). *Nunavummi Nangminiaqtunik Ikajuuti Implementation Act*. Retrieved from Government of Nunavut: <http://nni.gov.nu.ca/Regulations>
- Nunavut Arctic College. (2015, October 29). *A brief overview of Nunavut Arctic College*. Retrieved from Nunavut Arctic College: <https://www.arcticcollege.ca/en/arctic-college-overview>
- Nunavut Arctic College. (2018, August 16). *Programs: Business*. Retrieved from Nunavut Arctic College: <https://www.arcticcollege.ca/business>
- Nunavut Bureau of Statistics. (2017, May 1). *Gross Domestic Product*. Retrieved from Government of Nunavut - Nunavut Bureau of Statistics: <http://www.stats.gov.nu.ca/en/Economic%20GDP.aspx>
- Nunavut Bureau of Statistics. (2017, November 8). *Nunavut GDP Expenditure Account, 2009 to 2016*. Retrieved from Government of Nunavut - Nunavut Bureau of Statistics: <http://www.stats.gov.nu.ca/en/Economic%20GDP.aspx>
- Nunavut Bureau of Statistics. (2017, November 8). *Nunavut GDP Expenditure Account, 2009 to 2016.xls*. Retrieved from Government of Nunavut - Nunavut Bureau of Statistics: <http://www.stats.gov.nu.ca/en/Economic%20GDP.aspx>
- Nunavut Bureau of Statistics. (2017). *Nunavut Quick Facts*. Retrieved from Nunavut Bureau of Statistics: <http://www.stats.gov.nu.ca/en/home.aspx>

- Nunavut Bureau of Statistics. (2018, March 1). *Nunavut Quick Facts*. Retrieved from Government of Nunavut: <http://www.stats.gov.nu.ca/en/home.aspx>
- Nunavut Business Credit Corporation. (2016). NBCC Presentation. *Kivalliq Community Economic Development Officers' Conference*. Rankin Inlet: Government of Nunavut Department of Economic Development and Transportation.
- Nunavut Development Corporation. (2016). NDC Presentation. *Kivalliq CEDO Conference*. Rankin Inlet: Government of Nunavut Department of Economic Development & Transportation.
- Nunavut Socioeconomic Monitoring Committee. (2016). *2016 SEMC Report - Iqaluit*. Retrieved from Nunavut Socioeconomic Monitoring Committee: http://nunavutsemc.com/?page_id=7
- Nunavut Socioeconomic Monitoring Committee. (2016, December). *Appendix B - Statistics*. Retrieved from Nunavut Socioeconomic Monitoring Committee: <http://nunavutsemc.com/wp-content/uploads/2014/12/2016AppendixB-Stats-ENG.pdf>
- Patton, M. Q. (2015). *Qualitative Research & Evaluation Methods 4th Edition*. Los Angeles: Sage Publications.
- Peterson, K. (2012). *Community Experiences of Mining in Baker Lake, Nunavut*. Guelph, ON: University of Guelph.
- Sanchez, J. M., & Liborio, C. S. (2012, May 18). *The Relationships Among Changes in GDP, Employment, and Unemployment: This Time, It's Different*. Retrieved from Economic Research: Federal Reserve Bank of St. Louis: <https://research.stlouisfed.org/publications/economic-synopses/2012/05/18/the-relationships-among-changes-in-gdp-employment-and-unemployment-this-time-its-different/>
- Scott, W. R. (2012). *Financial Accounting Theory, 6th Edition*. Toronto: Pearson Canada Inc.
- Spilling, O. R. (2011, January). Mobilising the entrepreneurial potential in local community development. *Entrepreneurship & Regional Development*, 23(1-2), 23-35.
- Statistics Canada. (2010, December 17). *Average household expenditures, by province and territory (Northwest Territories, Nunavut)*. Retrieved from Statistics Canada: <http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/famil16g-eng.htm>
- Statistics Canada. (2016, March 29). *Inuit: Fact Sheet for Nunavut*. Retrieved from Statistics Canada: <http://www.statcan.gc.ca/pub/89-656-x/89-656-x2016017-eng.htm>
- Tester, F. J. (2010). Mad dogs and (mostly) Englishmen: Colonial relations, commodities, and the fate of Inuit sled dogs. *Etudes/Inuit/Studies*, 34(2), 129-147.
- Tester, F. J., & Kulchyski, P. (1994). *Tammarniit (Mistakes): Inuit Relocation in the Eastern Arctic, 1939-63*. Vancouver: UBC Press.

- The Canadian Press. (2017, February 8). *Nunavut leads the country in population growth: census*. Retrieved from CTV News: <https://www.ctvnews.ca/canada/nunavut-leads-the-country-in-population-growth-census-1.3275913>
- The Canadian Press. (2018, March 2). *Canadian economy grows at 3 per cent in 2017, fastest pace in 6 years*. Retrieved from Global News: <https://globalnews.ca/news/4058301/canada-q4-2017-gdp-growth/>
- Townfolio. (2018, September 4). *Arviat - Labour Force Statistics*. Retrieved from Townfolio: <https://townfolio.co/nu/arviat/labour-force>
- Treasury Board of Canada Secretariat. (2002). *Guide on Grants, Contributions and Other Transfer Payments*. Ottawa: Government of Canada: Treasury Board of Canada Secretariat.
- Van Dusen, J. (2015, November 3). *Nunavut small business incentives go untapped*. Retrieved from CBC News North Online: <http://www.cbc.ca/news/canada/north/nunavut-business-incentives-go-untapped-1.3300630>
- von Hoffman, A. (2012). The Past, Present, and Future of Community Development in the United States. In F. R. Fund, *Investing in What Works for America's Communities* (pp. 10-54). San Francisco: Joint Center for Housing Studies - Harvard University.
- Younger-Lewis, G. (2005, May 27). *GN takes over loan, subsidy programs in Kivalliq*. Retrieved from Nunatsiaq News: http://nunatsiaq.com/stories/article/gn_takes_over_loan_subsidy_programs_in_kivalliq/

APPENDICES

Appendix 1 – Coded Interview Results

Q51 - What do you believe are the purpose and goals of your role?

Theme and Description		Service Employees Number Responded
Advisory		10
	Provide advice/support to new and existing businesses	6
	Provide support for small, Inuit-owned businesses	4
	Educate entrepreneurs	3
	Help with licensing businesses	2
	Help businesses write business plans	2
	Guide and direct business persons	1
	Brainstorm with businesses	1
	To help set up durable businesses	1
	Develop economic development plans	1
	Provide technical expertise	1
	Assist with reporting	1
Economic		8
	Create opportunities for economic growth	7
	Identifying ways of capturing opportunities	2
	Develop local capacity	2
	Maximize income and employment opportunities for Nunavummiut	2
	Support economic diversification	1
	Help create income opportunities for youth	1
	Develop our economies	0
Funding		8
	Help businesses access funding from other agencies	7
	Help businesses graduate to commercial banking or self-sufficiency	1
	Generate returns on investment	1
	Collect Funds	1
Programming		5
	Oversee programs and services	2
	Do business plan reviews	2
	Recruit and retain programs	1
	Offer programs and services that meet members needs	1
	Grow and adapt as membership changes	1
	Operate an investment fund	1

QS1 - What do you believe are the purpose and goals of your role? Continued

Theme and Description		Service Employee Number Responded
Liaison		5
	Represent government	4
	Liaise with other organizations	5
	Train and provide orientation to EDOs	1
	Ask communities what they want	1
Information		4
	Provide information	4
Organizational		3
	Support program delivery staff	1
	Write proposals and seek funds for projects	2
	Help manage community projects	1
Advocacy		2
	Advocacy	2
Business		1
	Monitor businesses to ensure they are operating properly	1
Marketing		1
	Provide marketing, market readiness, and research	1
Personal		1
	Make people realize their personal worth	1

QB1/QS2 - How would you define a successful business in Nunavut?

Theme and Description	Business Owners Number Responded	Service Employees Number Responded
Financial	10	11
Profitability	7	8
Financially Sustainable/Grows	5	5
High Sales	3	0
Longevity – Operates long-term	3	6
Solvent – Pays of Debts	2	2
Solubility – Cash to Pay Expenses	1	1
Longevity – Actually starts up	0	2
Able to Attain Credit	0	1
Makes Enough Income to Support Families	0	1
Service	8	5
Customer Loyalty	4	0
Provides New Service	3	3
Customer Satisfaction	3	1
Good Word of Mouth	2	1
Reliable Service	2	0
High Quality	1	0
Builds/Expands Portfolio/Services	1	0
Can offer lower prices	0	1
Diversified, Has Joint Ventures	0	1
Social	7	4
Benefits Community/NU	4	2
Educates	1	
Role Model for Others/Creates Help	1	1
Creates Partnerships	1	
Advances Territory	1	
Engaged Part of Community	1	2
Promotes Inuit Culture	1	1
Inclusive of Customers/Employees	1	
Entrepreneur Motivated to Improve	1	1
Entrepreneur Personal Satisfaction	1	
Independent: not government or consultant reliant	1	1
Truly owned and operated in Nunavut	0	2
Income stays in Nunavut	0	1
Inuit-owned	0	1
Business that can be passed on to kids	0	1

QB1/QS2 - How would you define a successful business in Nunavut? Continued

Theme and Description		Business Owners Number Responded	Service Employees Number Responded
Jobs		3	8
	Provides Jobs	2	6
	Employee Satisfaction	1	1
	Provides Jobs for Youth	1	1
	Provides Jobs for Inuit	0	2
	Offers Skills Development for Employees	0	3
Economic		2	1
	Exports Outside of Nunavut	1	0
	Does not Send Opportunities South	1	0
	Competitors have to lower prices	0	1
Planning		1	4
	Writes Proposals	1	0
	Able to Overcome Challenges	0	1
	Properly Planned	0	1
	Surpasses set targets and goals	0	1
	Achieves goal	0	1

QB2 – Who do you go to for help?

Theme and Description		Business Owners Number Responded
Professional		10
	Professional in field of expertise	6
	Other Businesses/Partners	3
	Researchers and Authors of Publications	2
	Incubator (outside of Nunavut)	1
	Industry Organizations	1
	Comparable Businesses in South	1
	Seminars	1
Business Service Organizations		8
	Lending Organizations	6
	Grant/Contribution Organizations	2
	Reporting Organizations	1
	Other Business Service Organization	1
Personal		8
	Personal Education/Knowledge (Instincts)	4
	Family	2
	Mentors	2

QS3 - What do your clients commonly ask you?

Theme and Description		Service Employees Number Responded
Funding		11
	Finding funding	11
	Reporting	2
	Eligible costs	2
	Difference between programs	2
	Funding timelines	2
	What are equity requirements	2
	When coming to visit	1
	How does fiscal year end work with funding	1
	Why is info needed	1
	Criteria for an Aboriginal Client	1
	About programs	1
Start Businesses		7
	How to start a business	5
	How to get a licence, permits	5
	Where to find insurance	3
	How to write a business plan	2
	Finding a business idea	1
	Give Good News	1
Advisory		6
	More established look for business advice	2
	Methods of other businesses	1
	Bookkeeping	1
	Risk management	1
	Basic business questions	1
	Specific business advice	1
	How to operate a business	1
Networking		4
	Reliable consultants	2
	Finding/establishing joint ventures	2
	Other contacts	1
	Where to buy stuff	1

QS3 - What do your clients commonly ask you? Continued

Theme and Description		Service Employees Number Responded
Finances		4
	CRA issues	4
	Where to get income	1
	Investments	1
Education		1
	Finding training	1

QB4 – What have been the greatest challenges for your business?/QS5 – What do you believe are the greatest challenges for businesses?

Theme and Description	Business Owners Number Responded	Service Employees Number Responded
Financial	7	10
High Costs – Operating and Capital	5	7
Being Profitable	2	0
Cost of travel	2	0
Bookkeeping and Reporting to CRA	2	5
Solvency	1	0
High Cost of Living – Have to Support Family	1	0
Lack of financial and/or business skills	0	7
Unable to Obtaining Lending from South	0	2
Financial Responsibility to Many People	0	1
Solubility/Cash Flow	0	1
Short Revenue Season (for Some Industries)	0	1
Jobs	6	6
Staffing	6	5
Cost of Flying in Personnel	1	0
Access to Skilled Labour (e.g. find qualified staff who speak Inuktitut)	1	1
Cost of Labour - Cannot compete as employer with Government of Nunavut	1	2
Business Service Organizations	4	3
Lack of aftercare	1	0
Challenges Accessing Funding	1	1
Limited Funding for Travel or Marketing	1	0
Lack of Real Help on Operational Matters	1	0
Fiscal Year End Does Not Match Sealift	0	1
Requirement for Advanced Business Planning	0	2
Equity Contributions	0	1

QB4 – What have been the greatest challenges for your business?/QS5 – What do you believe are the greatest challenges for businesses? Continued

Theme and Description	Business Owners Number Responded	Service Employees Number Responded
Supplies and Logistics	4	9
Arranging Logistics/Transport	3	6
Sourcing Adequate Capital, Products and Supplies	3	3
Reliance on Sealift	0	7
Limited Supplier Options	0	1
Few Chances for Communications with Suppliers	0	1
High Storage Costs	0	1
Infrastructure	3	8
No Commercial Space	2	4
Poor Internet Connectivity	1	2
Lack of Infrastructure (in general)	0	5
Poor Transportation Infrastructure	0	2
Legal	4	5
Challenges with NNI Policy	2	0
Housing Policy – No Businesses in GN Housing Units	1	0
Red Tape	1	3
Too Many Licensing and Permits	0	4
Marketing	4	10
Small Market Sizes	1	4
Determining Target Market	1	0
Customers not following through on making orders after they said in market research that they would	1	0
Client Perceptions of Services Being Too Expensive	1	0
Understanding of Marketing and International Markets/Cross-Cultural Communication Skills	0	4
How to Price and Make Products Affordable	0	2
Do Not Have Right Contacts	0	1
Understanding Demands of Southern Clients	1	3

QB4 – What have been the greatest challenges for your business?/QS5 – What do you believe are the greatest challenges for businesses? Continued

Theme and Description	Business Owners Number Responded	Service Employees Number Responded
Geography	3	7
Poor Weather	2	3
Seasonality	1	4
Location – Distance to Markets	0	4
Governance and Strategy	3	0
Finding Inuit Joint Venture Partner	1	0
Dealing with Partners	1	0
Planning for Future while Managing Daily Operations	1	0
Writing Proposals	1	0
Services	2	5
Bookkeeping	2	0
Finding Trustworthy/Competent Consultants	1	0
Low Accessibility of Consultants/Professionals	1	4
Price gouging – based on location	1	0
No Banking Services in Some Locations	0	2
Economic	2	0
Part-Time Businesses as Competition	1	0
Competition from Large Businesses	1	0
Fake Inuit Businesses	1	0
Government Contracts Sent South	1	0
Skills	1	3
Access to Long-Term Training	1	2
Limited Business Knowledge	0	1
Limited Numeracy Skills	0	1
Entrepreneurs not Understanding Financial Responsibilities of Owning a Business	0	1
Personal	1	1
No Access to Childcare	1	1

QB4 – What have been the greatest challenges for your business?/QS5 – What do you believe are the greatest challenges for businesses? Continued

Theme and Description		Business Owners Number Responded	Service Employees Number Responded
Operations		0	2
	Communicating with Clients	0	1
	Cost of Airfare	0	1
	Confusion of How to Take Payment	0	1
	Inability to Generate Economies of Scale	0	1

QB3 – How have business service organizations helped your business?/QS5 – How do Business Support Programs Help Businesses Overcome Challenges?

Theme and Description		Business Owners Number Responded	Service Employees Number Responded
Funding		10	9
	Non-repayable Contribution	9	9
	Loan	3	9
	Help Leveraging Funds/Raising Client Equity		1
Other		4	2
	Could not access funding	4	0
	No answer provided	1	0
	They do not help – Business Challenges are Fundamental and Part of Operating in Nunavut	0	2
Business/Advisory		3	8
	Organizations Referred Clients to Them	1	0
	Provided Information on CRA	1	0
	Referred Bookkeeper	1	0
	Provided Business Advice	1	4
	Application Process Makes Businesses Plan	0	2
	Mentorship and Career Counselling	0	1
	Provide Industry Information	0	1
	Provide Objective Opinions on Business Plans	0	1
	Provide Aftercare	0	1
	Provide Assistance through Entire Application Process	0	1
Education and Marketing Opportunities		2	4
	Planned Trade Shows	2	0
	Education Opportunity (Workshops)	2	3
	Selling Opportunity – at Trade Shows	2	0
	Provides Professional Network	0	2
	Markets Territory	0	1
	Supports Digital Economies and Marketing	0	1

QB5/QS6 – How could the Nunavut Small Business Service Network better support your business?

Theme and Description		Business Owners Number Responded	Service Employees Number Responded
Program and Education		9	8
	Aftercare	6	4
	Offer More Workshops and Courses (Particularly Advanced, not Just Beginner; Basics of How to Use a Computer)	6	3
	Mentorship Program – Northern-based	3	2
	Assist/Teach from Start to Finish	2	1
	Help Connect Joint Venture Partnerships	2	1
	Assist in Accessing Longer Term Training	1	0
	On Call Help	1	0
	Offer Hands On Assistance to Write Business Plan/Business Planning that is Practical/Understandable to Client	1	1
	Get Jobs Shadows (Send Trainees South)	1	0
	Have Youth Entrepreneurship Education Programs (in Schools)	0	1
	Develop Education Partnerships with Southern Universities and Resources	0	1
	Support/Start Train-the-Trainer Programs, to Train Inuit to Train Other Inuit	0	1

QB5/QS6 – How could the Nunavut Small Business Service Network better support your business? Continued

Theme and Description		Business Owners Number Responded	Service Employees Number Responded
Funding Policies		9	6
	Focus Funding on Established Businesses Rather than Start-Ups	4	0
	Lower Equity Contributions (or Count Loans as Equity)	2	1
	More Grant Funding	3	0
	Support Non-Inuit Entrepreneurs	2	0
	Align Timing of Funding Decisions with Sealift	1	0
	Have Proper Economic Development Strategy	1	0
	Increase Funding to Help with Changing Regulations (e.g. Inuktitut Language Requirements)	1	0
	Look to Other Territories as Examples	1	0
	Provide More Money to EDOs	1	0
	More Funding for Web Development	1	0
	Fund Collaborative Consulting Rather than Traditional Consulting	1	0
	Decentralize Decision Making (Out of Iqaluit)	1	0
	More Grant Funding Targeting Capacity Building	0	2
	Funds Targeted to Improve Governance, Administration, and Business Management	0	1
	Pool Regional Resources to Help Business	0	1
	Support “Informal Marketing” through Sponsorships (Opportunities for Inuit to Visit Southerners)	0	1
	Require Participative Consultants	0	1

QB5/QS6 – How could the Nunavut Small Business Service Network better support your business? Continued

Theme and Description		Business Owners Number Responded	Service Employees Number Responded
Staff of Service Organizations		7	2
	Ensure Staff Understand Business in Nunavut	3	1
	Retain Staff at Service Organizations	2	0
	Staff Should Have Experience Owning Their Own Businesses	2	0
	Have Better Knowledge Transfers Between Staff at Organizations	1	0
	Have Local Liaisons for Programs	1	0
	Decision Makers Must Have Financial Literacy	1	0
	Service Staff Must be Friendly	1	0
	Decision Makers Must Understand Business	1	0
	Train Local People to be On Call for Businesses	1	0
	Hire More Staff, Fewer Consultants	0	1
Ease		6	0
	Make Funding More Accessible/Less Restrictive	4	0
	Reduce Red Tape	4	0
	Have a Single Conjoined Place to Get Information	2	0
	Make Funding Decisions Faster	2	0
	Simply NNI and NNI Renewals	2	0
	Use Easy-to-Understand Language on Forms/Communications	1	0
	Streamline Licensing to One Place	1	0
	Streamline Funding to One Application Form	1	0
Communications		5	5
	Advertise Programs More and Better	4	4
	Communicate Amounts of Funding Remaining	2	0
	Use Efficient Communications	2	0
	Continue to Promote Training Programs	1	1
	Bridge Communication Gaps Between Funders	0	2
	Manage Expectations	0	1

QB5/QS6 – How could the Nunavut Small Business Service Network better support your business? Continued

Theme and Description	Business Owners Number Responded	Service Employees Number Responded
Social	4	1
Do More Advocacy	2	1
All Support Organizations Should Make an Honest Effort To Support Local Businesses	2	0
Have Accessible Childcare	1	0
Stop Stealing Employees from Businesses	1	0
Work to Reduce Reliance on South for Goods	1	0
Accountability	3	0
Ensure Longterm Accountability/Track Business Success Beyond Two Years	3	0
Properly Audit Small Business Support Programs	2	0
Services	2	3
Assist in Finding Adequate Consultants/Bookkeepers	2	2
Assist with Networking	0	2
Transparency	2	0
Clarify how Funding Decisions are Made	2	0
Government Should Buy from Businesses they Supported	2	0
Clear, Precise Policies	1	0
Infrastructure	2	5
Develop Affordable Commercial Space	2	0
Create an Incubator	2	4
Improve Transportation Infrastructure	0	3
Improve Internet Connectivity	0	2
Require More Infrastructure - Buildings	0	2
Marketing	1	0
Assist in Advertising/Reaching Outside Markets	1	0

QB5/QS6 – How could the Nunavut Small Business Service Network better support your business? Continued

Theme and Description		Business Owners Number Responded	Service Employees Number Responded
Negative		0	2
	Business Service Organizations Cannot Help Businesses Overcome These Challenges	0	1
	Businesses are Already Supported Very Well by Service Organizations	0	1

Appendix 2 – Exemption from University of Alaska Fairbanks Institutional Review Board



(907) 474-7800
(907) 474-5444 fax
uaf-irb@alaska.edu
www.uaf.edu/irb

Institutional Review Board

808 N Koyukuk Dr. Suite 212, P.O. Box 757270, Fairbanks, Alaska 99775-7270

June 27, 2017

To: Jenny Jones
Principal Investigator

From: University of Alaska Fairbanks IRB

Re: [1092927-1] Paving the Way: An Evaluation of Small Business Support Programs in the Kivalliq Region of Nunavut

Thank you for submitting the New Project referenced below. The submission was handled by Exempt Review. The Office of Research Integrity has determined that the proposed research qualifies for exemption from the requirements of 45 CFR 46. This exemption does not waive the researchers' responsibility to adhere to basic ethical principles for the responsible conduct of research and discipline specific professional standards.

Title:	Paving the Way: An Evaluation of Small Business Support Programs in the Kivalliq Region of Nunavut
Received:	June 26, 2017
Exemption Category:	2
Effective Date:	June 27, 2017

This action is included on the July 12, 2017 IRB Agenda.

Prior to making substantive changes to the scope of research, research tools, or personnel involved on the project, please contact the Office of Research Integrity to determine whether or not additional review is required. Additional review is not required for small editorial changes to improve the clarity or readability of the research tools or other documents.

Appendix 3 – Nunavut Research Licence

Nunavummi Qaujsaqtulirijikkut / Nunavut Research Institute

Box 1720, Iqaluit, NU X0A 0H0 phone: (867) 979-7279 fax: (867) 979-7109 e-mail:
mosha.cote@arcticcollege.ca

SCIENTIFIC RESEARCH LICENSE

LICENSE # 03 018 17N-M

ISSUED TO: Gabrielle Morrill
University of Alaska Fairbanks
Box 312
Rankin Inlet, NU
X0C 0G0 Canada

TEAM MEMBERS: J. Jones

AFFILIATION: University of Alaska Fairbanks

TITLE: Paving the Way: An Evaluation of Small Business Support Programs in the Kivalliq Region of Nunavut

OBJECTIVES OF RESEARCH:

The purpose is to see if the products (funding) and services (business counselling, mentorship, workshops, etc.) available for businesses in the Kivalliq region fit the needs of entrepreneurs. This project will also see if service/funding organizations' performance are evaluated by their funders in a way that supports the true needs of entrepreneurs.

TERMS & CONDITIONS:

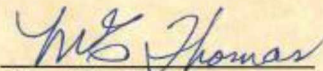
DATA COLLECTION IN NU:

DATES: September 01, 2017-August 31, 2018

LOCATION: Rankin Inlet, Arviat, Baker Lake, Chesterfield Inlet, Coral Harbour, Nauyasat, Whale Cove, Iqaluit

Scientific Research License 03 018 17N-M expires on December 31, 2017

Issued at Iqaluit, NU on September 07, 2017


Mary Ellen Thomas
Science Advisor

